

DCMC

FY 1997 Business Plan

Monthly Management Review

December 17, 1996

AGENDA

- MISSION PERFORMANCE
- PERFORMANCE IMPROVEMENT
- RESOURCE MANAGEMENT
- ACTION ITEM REVIEW
- COMMANDER'S ASSESSMENT



Mission Performance

| Performance Metric | DCMC | East | West | Int'l |
|--|---------------|-------------|-------------|--------------|
| 1. Right Item - Conforming Items | Green | NR | NR | NR |
| • Design Defects (3.10.1) | Gr/Yel | Yellow | Green | Green |
| • First Pass Yield on First Articles (3.3.1) | Green | Green | Green | Green |
| • Packaging Discrepancies (3.4.1) | 4Q 97 | NR | NR | NR |
| 2. Right Time - On Time Contractor Delivery (3.7.1) | Jan 97 | NR | NR | NR |
| • Delay Forecast Coverage | Jul 97 | NR | NR | NR |
| • Delay Forecast Timeliness | Jul 97 | NR | NR | NR |
| • Delay Forecast Accuracy | Jul 97 | NR | NR | NR |
| • Customer Priority List (CPL) Coverage | Green | Green | Green | Green |
| • Engineering Change Cycle Time | NR | NR | NR | NR |
| • Schedule Slippage's on Major Programs | Jun 97 | NR | NR | NR |
| • Shipping Document Cycle Time (3.5.2) | 2Q 97 | NR | NR | NR |
| 3. Right Price - Cost Savings & Avoidances | NR | NR | NR | NR |
| • ROA on Property from Plant Clearance | Green | Green | G/Y/R | Green |
| • Negotiation Cycle Time | Feb 97 | NR | NR | NR |
| • UCA Definitization (2.2.2.2) | Red | Yellow | Red | Green |
| • Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1) | Green | Green | Green | Green |
| • Cost Overruns on Major Programs | Jun 97 | NR | NR | NR |
| • \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1) | Green | Yellow | Green | Green |



Mission Performance (Con't)

| Performance Metric | DCMC | East | West | Int'l |
|--|--------|--------|--------|--------|
| 4. Right Advice - Participation in ASPs and RFP Reviews | Green | Green | Green | Green |
| • Repeat Requests for Early CAS | Green | Green | G/Y/R | Green |
| • Adopted Software Recommendations | Green | Green | Green | Green |
| • % Contractors on Contractor Alert List (CAL) (2.1.1.2) | 3Q 97 | NR | NR | NR |
| • Single Process Implementation | Green | Green | G/Y/R | Green |
| • Preaward Survey Timeliness (2.1.2) | Green | Green | Green | Green |
| • Amount of DoD Property | Green | NR | NR | NR |
| • Excess Property | Green | Green | G/Y/R | Green |
| 5. Right Reception - Customer Satisfaction | Green | Green | Green | Green |
| • Service Standards | 2Q 97 | NR | NR | NR |
| • Trailer Cards | Green | Green | Green | Green |
| 6. Right Efficiency - Contracts per Person (1.1) | Green | NA | NA | NA |
| • Contract Closeout (4.2.2.2) | Gr/Yel | Yellow | Gr/Yel | Green |
| • Termination Actions (4.1.2.1) | Yellow | Yellow | Yellow | Yellow |
| • Contractors with CS2 Joint Agreements (3.1.2.2) | Green | Green | Green | Green |
| 7. Right Talent - Training Hours | Green | Green | Green | Green |
| • DAWIA Certification | Green | Green | Green | Green |
| • Course Completion (1.1.7) | Green | Green | Green | Green |
| • Training Quota Usage | Green | Green | Green | Green |



Right Item

Conforming Items - # Usable lab tested items / # of Items tested

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Quality Planning/Process Control (contractor) | 10 | 5 |
| Production Planning (contractor) | 10 | 5 |
| Contractor Assessment (DCMC) | 10 | 10 |
| Contractor Surveillance (DCMC) | 10 | 10 |
| Contract Award (vendor selection) | 7 | 3 |



Right Item

- **Initial Data - Ten (10) PQDRs**
- **Data Analysis:**
 - **2 not valid**
 - **1 investigation on-going**
 - **7 valid (5 of 7 no surveillance plan)**
- **Latest Data - Eleven (11) PQDRs**
 - **Information sent to Districts**



Right Item

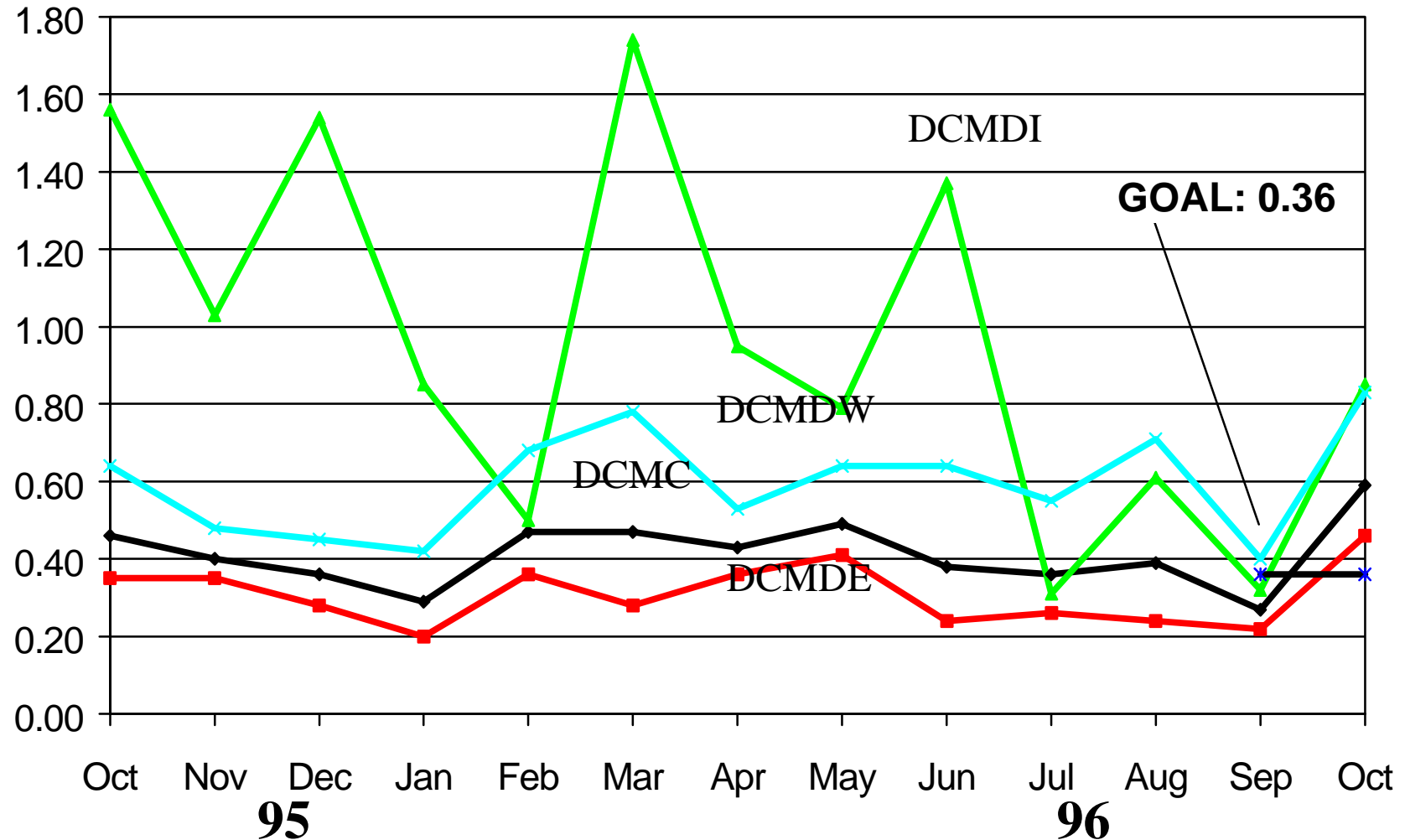
Design Defects - # Design Related ECPs and M/C W/Ds per 1K Contracts

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| IPTs with Contractor | 10 | 10 |
| # of Requirements Defined | 8 | 8 |
| Drawing Release Schedules | 7 | 6 |
| Manufacturing Capability (SPC) | 6 | 8 |
| Test and Evaluation | 5 | 5 |
| Recurring Major/Critical Waivers&Deviations | 4 | 5 |

Many thoughtful comments on metrics and process drivers. Continuing to review/evaluate.

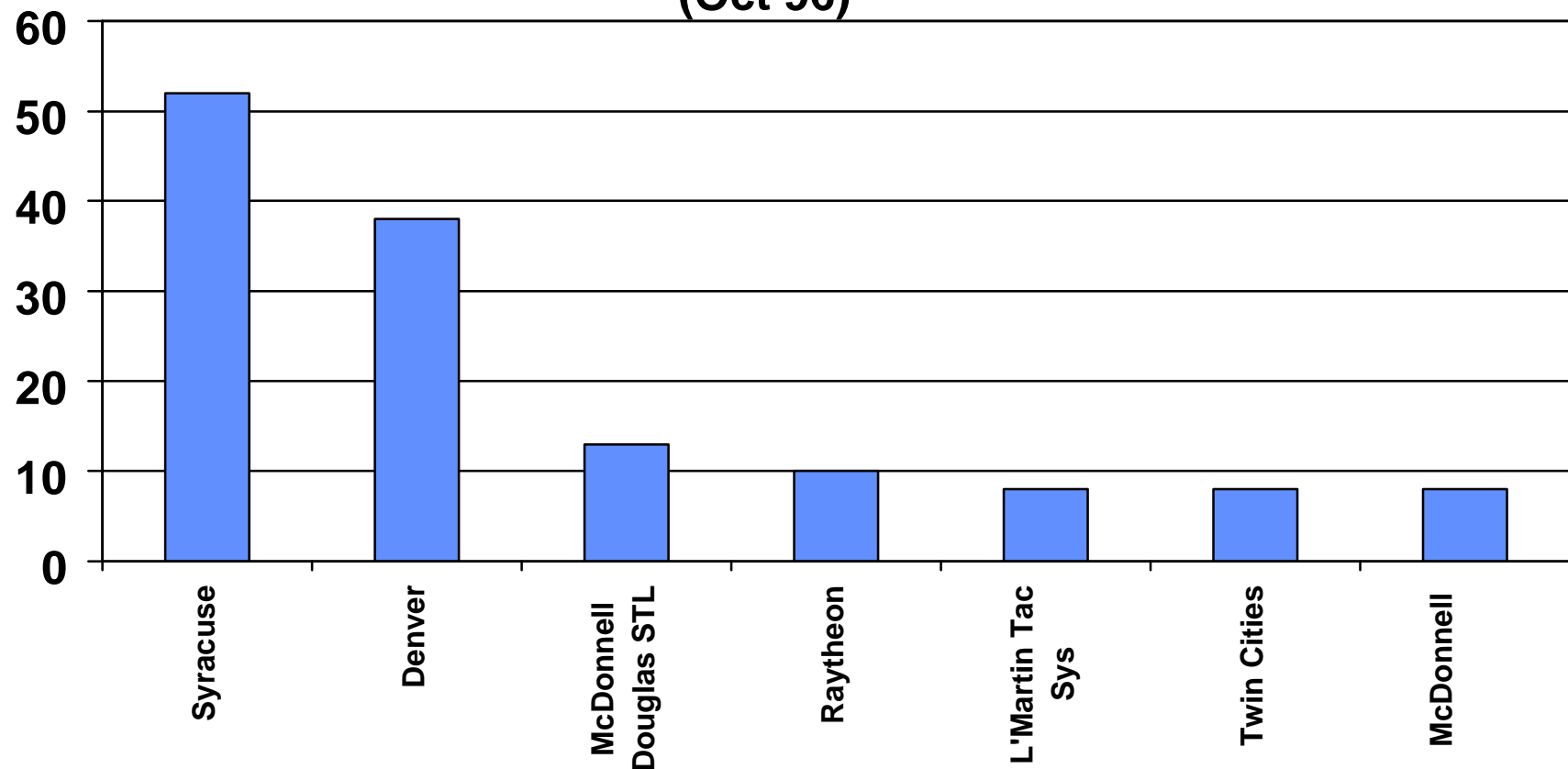
Right Item

Design Defects
(Major/Critical Waivers&Deviations/1,000 Kts)



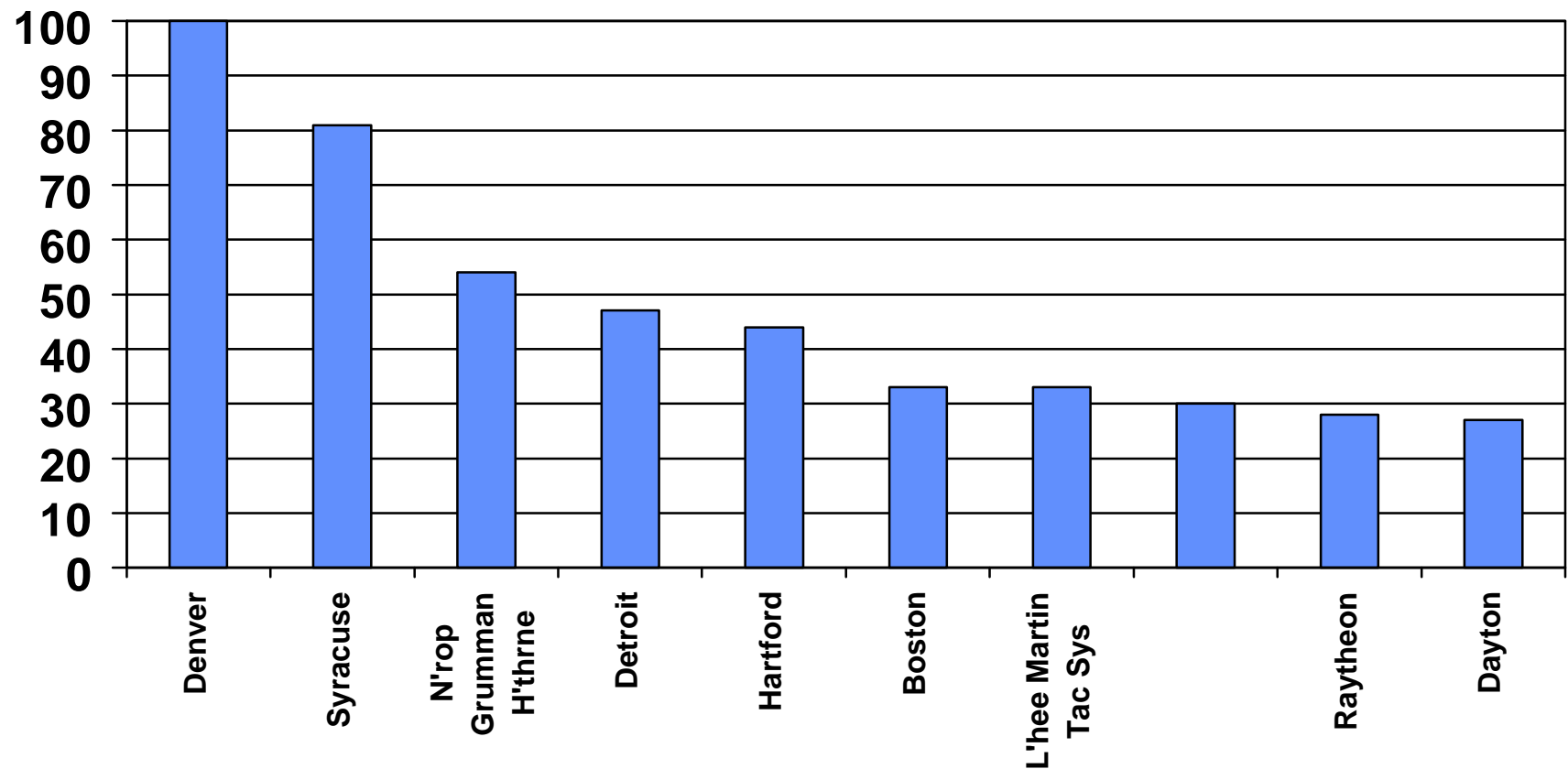
Right Item

Design Defects
(7 CAOs account for 64% of the M/C W&D)
(Oct 96)



Right Item

Design Defects
(10 CAOs account for 52% of the M/C W&D)



Right Item

Design Defects (# M/C Waivers 7 Deviations / 1K Contracts)

Status: Yellow

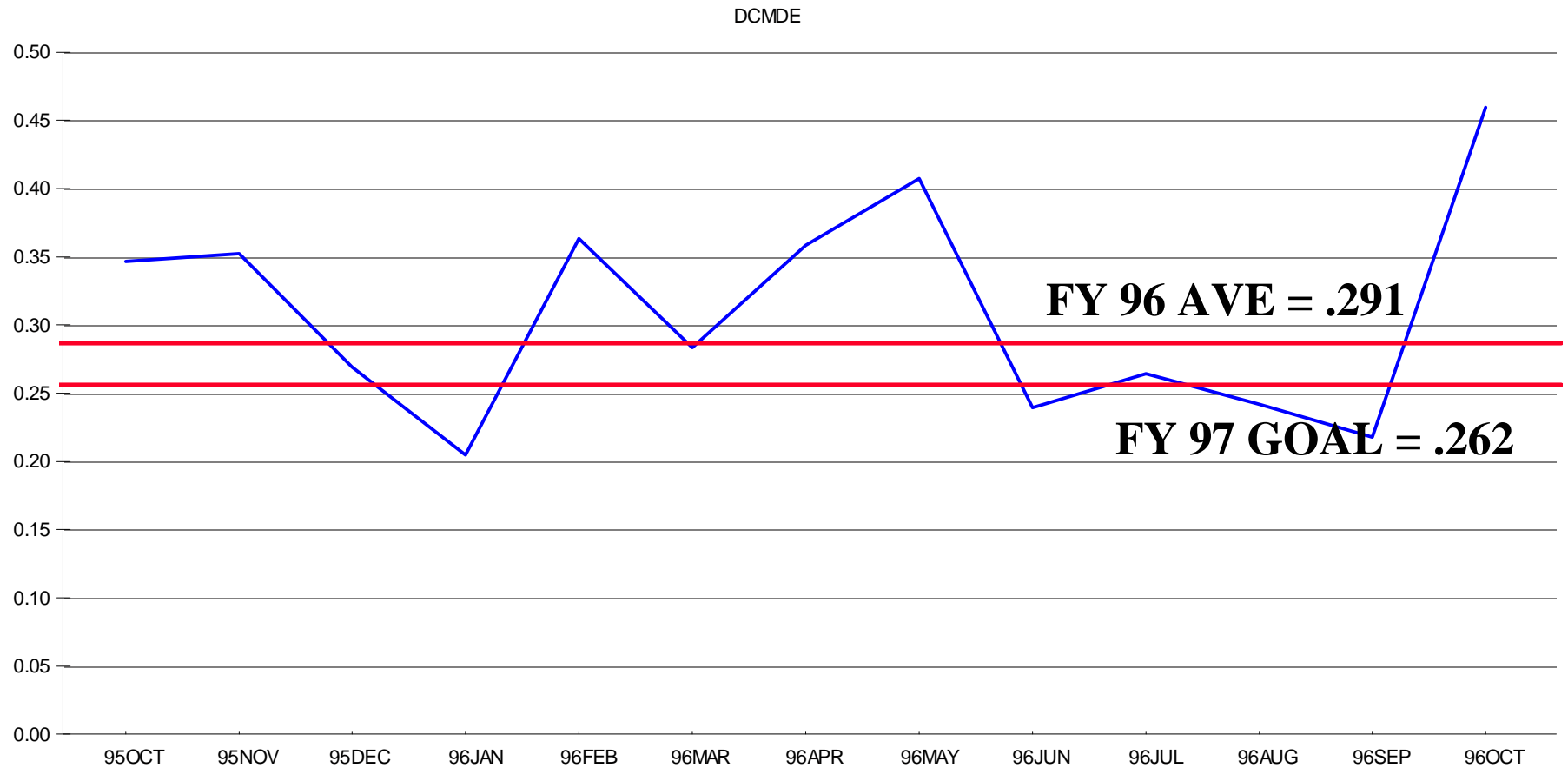
- **Trend: 12 Month Up (Bad)**
 - BSY-2 contract closeout - One time occurrence
 - Lucas Aerospace continues to be high
 - Most major waivers are repetitive
- FY 97 Goal: 10% reduction from end of FY96 baseline
 - FY 96 Ave: 0.40 -- FY 97 Goal: 0.36
 - FY 97 Ave: 0.59 (One month only)

DCMDE

Right Item
DESIGN DEFECTS
DESIGN DEFECTS PER 1000 KTS

DESIGN DEFECTS(RFD/RFW) PER 1,000 KTS

Layer 8/8



DCMDE

RIGHT ITEM

B. Design Defects Waivers and Deviations

Major/Critical Waivers & Deviations / Number of Contracts Times 1000

STATUS:



YELLOW

FY 97 GOAL : 0.261 M/C W&Ds / 1K Contracts

- October: 0.46 M/C W&Ds PER 1K Contracts
(114 W&Ds)
- Major Contributor - DCMC Syracuse
 - 52 W&Ds Processed on AN/BSY-2
 - FCA/PCA baseline change
 - No systemic problems

Business Plan Reference 1.2.1.1



Right Item

First Pass Yield on First Articles

PCO Approved 1st Articles / Total 1st Articles

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Contractor Capability Assessment | 10 | 10 |
| Production Process Surveillance | 5 | 10 |
| Technical Requirements | 8 | 4 |



Right Item

Packaging Discrepancies

RODs / 1,000 Shipments

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Preparation/Distribution (Customer) | 10 | 4 |
| Accuracy / Timeliness | 7 | 3 |
| Contractor Assessment | 8 | 10 |



Right Time

On Time Contractor Delivery

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|----------------------------------|--|---|
| Delay Forecast Coverage | 0 | 1 |
| Delay Forecast Timeliness | 0 | 1 |
| Delay Forecast Accuracy | 0 | 1 |

Note: THESE METRICS DO NOT IMPACT THE TOP LEVEL METRIC
BUT THEY DO COMMUNICATE INFORMATION THAT THE
CUSTOMER DEEMS IMPORTANT. THESE METRICS PROVIDE
DIRECT SUPPORT TO THE *RIGHT ADVICE* TOP LEVEL METRIC



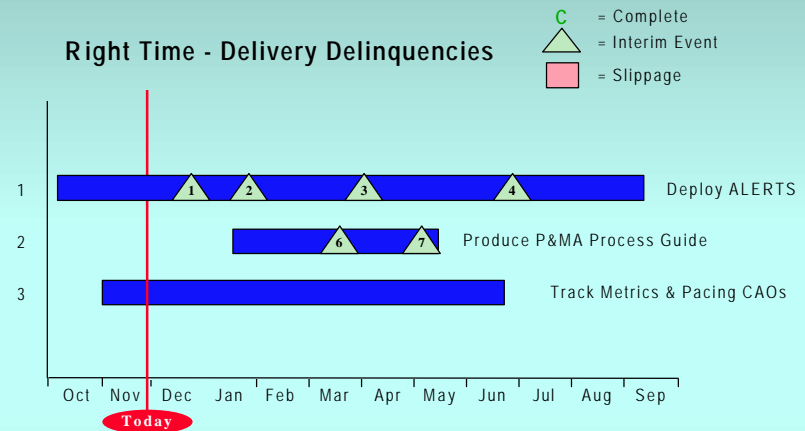
Right Time

% Contract Line Items Delivered to Original Delivery Schedule



| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Procurement Planning (Customer) | 6 | 4 |
| Solicitation and Award (Customer) | 10 | 10 |
| Solicitation Response (Contractor) | 7 | 2 |
| Production Planning (Contractor) | 9 | 10 |
| Production Management (Contractor) | 4 | 10 |

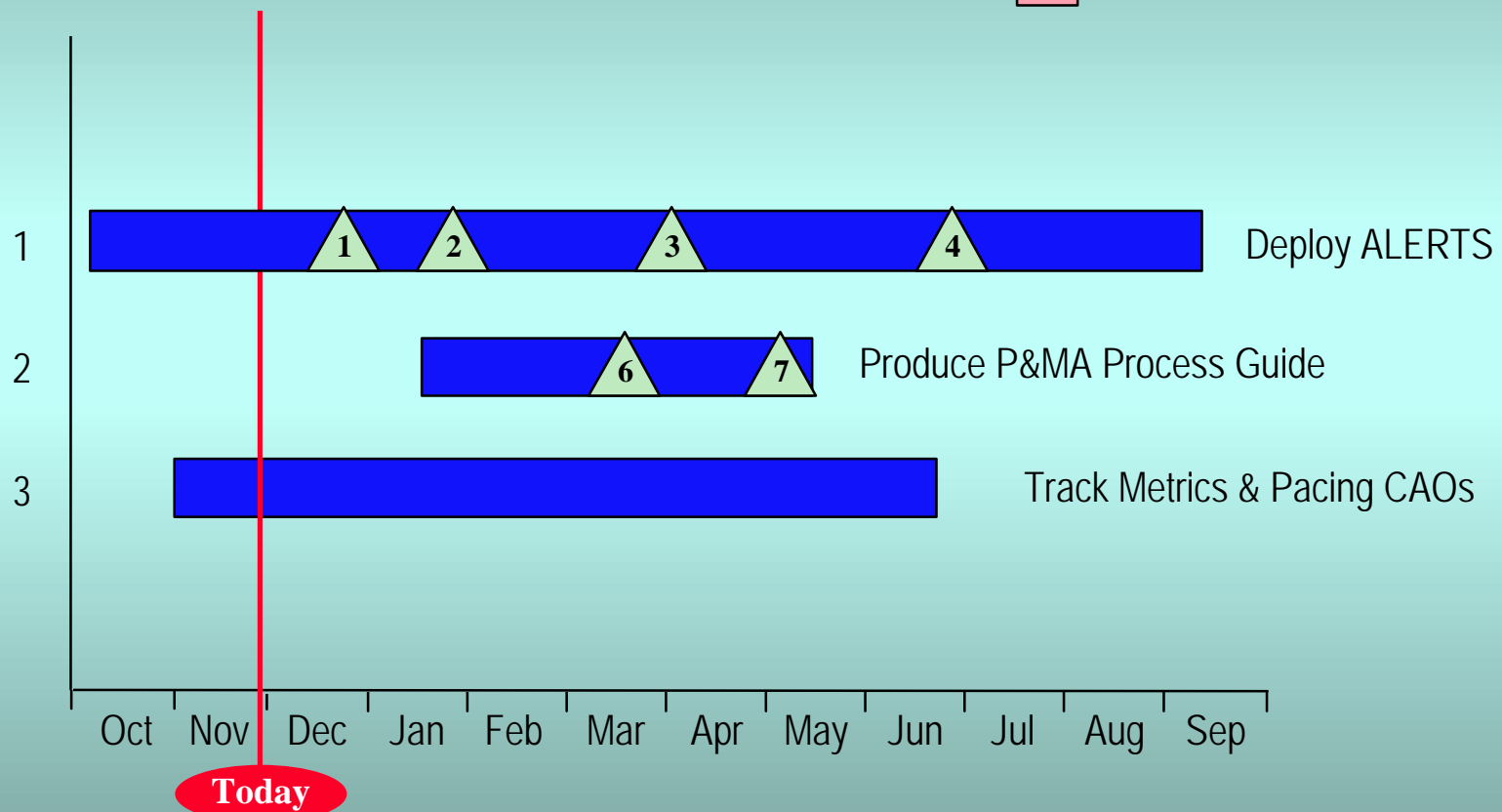
1.2.2-Right Time: Assure timely delivery of contract line items

- Dec update: ALERTS System Test begins 16 Dec 96. This will give the first clear indication of program code quality. FASST Team and Col. Bayless will observe test in Columbus, OH. Color is still YELLOW based on schedule risks.



Right Time - Delivery Delinquencies

- C** = Complete
-  = Interim Event
-  = Slippage





Right Time

Customer Priority List

On-Time CPT Responses

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|------------------------|--|---|
| # on CPL Requests | 3 | 1 |
| CAO CPL Process | 7 | 10 |
| Resources/Geography | 10 | 6 |



Right Time

Schedule Slippages on Major Programs

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---------------------------|--|---|
| C/S Contracts | 3 | 5 |
| Schedule Variances | 10 | 10 |



Right Price

Return On Investment of 10 Percent over FY 96 Baseline

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--------------------------------------|--|---|
| Contracting Officer Price Neg | 10 | 5 |
| Final Overhead Rates | 5 | 3 |
| Product Noncompliances | 5 | 8 |
| Gov't Property Reutilization | 3 | 5 |
| Litigation / ADR | 3 | 10 |
| Others | 3 | 3 |



Right Price

ROA on Property Reutilized and Sales Proceeds

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Effectiveness of Plant Clearance Process | 10 | 10 |
| Types and Condition of Property Reported | 8 | 7 |
| Effectiveness of Contractors' Property Control Systems | 5 | 7 |



Right Price Negotiation Cycle Time

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree Influence/Contr</i> |
|------------------------------------|--|--|
| Inadequate Proposals | 10 | 10 |
| Insufficient Funds | 7 | 6 |
| Ambiguous Statement of Work | 7 | 6 |
| No Forward Pricing Rates | 7 | 10 |
| Insufficient Staffing | 2 | 10 |

Will get some
insight from
Overage UCA
analysis



Right Price Overage UCAs On-Hand

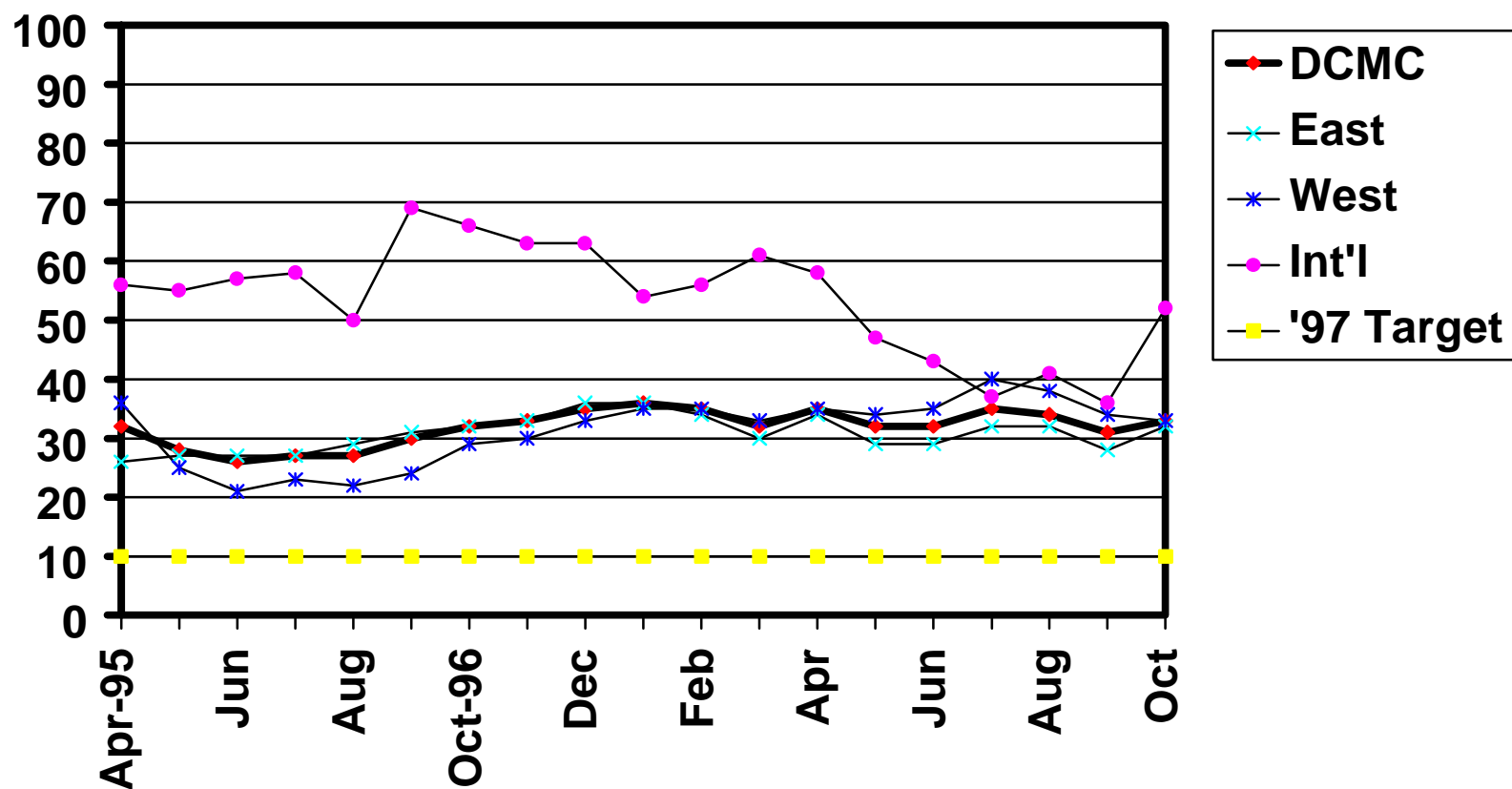
| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree Influence/Contr</i> |
|-------------------------------------|--|--|
| Late or Inadequate Proposals | 10 | 10 |
| Insufficient Funds | 7 | 6 |
| Awaiting GFP/Repairables | 7 | 6 |
| Processing of Design Changes | 2 | 6 |
| No Forward Pricing Rates | 5 | 10 |
| Insufficient Staffing | 2 | 10 |

**Will know
for sure by
Feb '97**



Right Price

Overage UCAs On-Hand
UCAs On-Hand > 180 Days/# UCAs On-Hand





Right Price

Overage UCAs On-Hand

Status: Red

- For Oct, percentage of overage UCAs on-hand increased 2% to 33%.
 - Number of overage UCAs (1,874) at lowest level since May 95, but...
 - Total number of UCAs on-hand (5,700) at 18 month low.
- In FY 96, saw a 5% increase in the percentage of overage UCAs on-hand during the first Qtr.



Right Price

Reasons For Overage UCAs

- DCMDs to do Pareto Analysis at CAOs below;

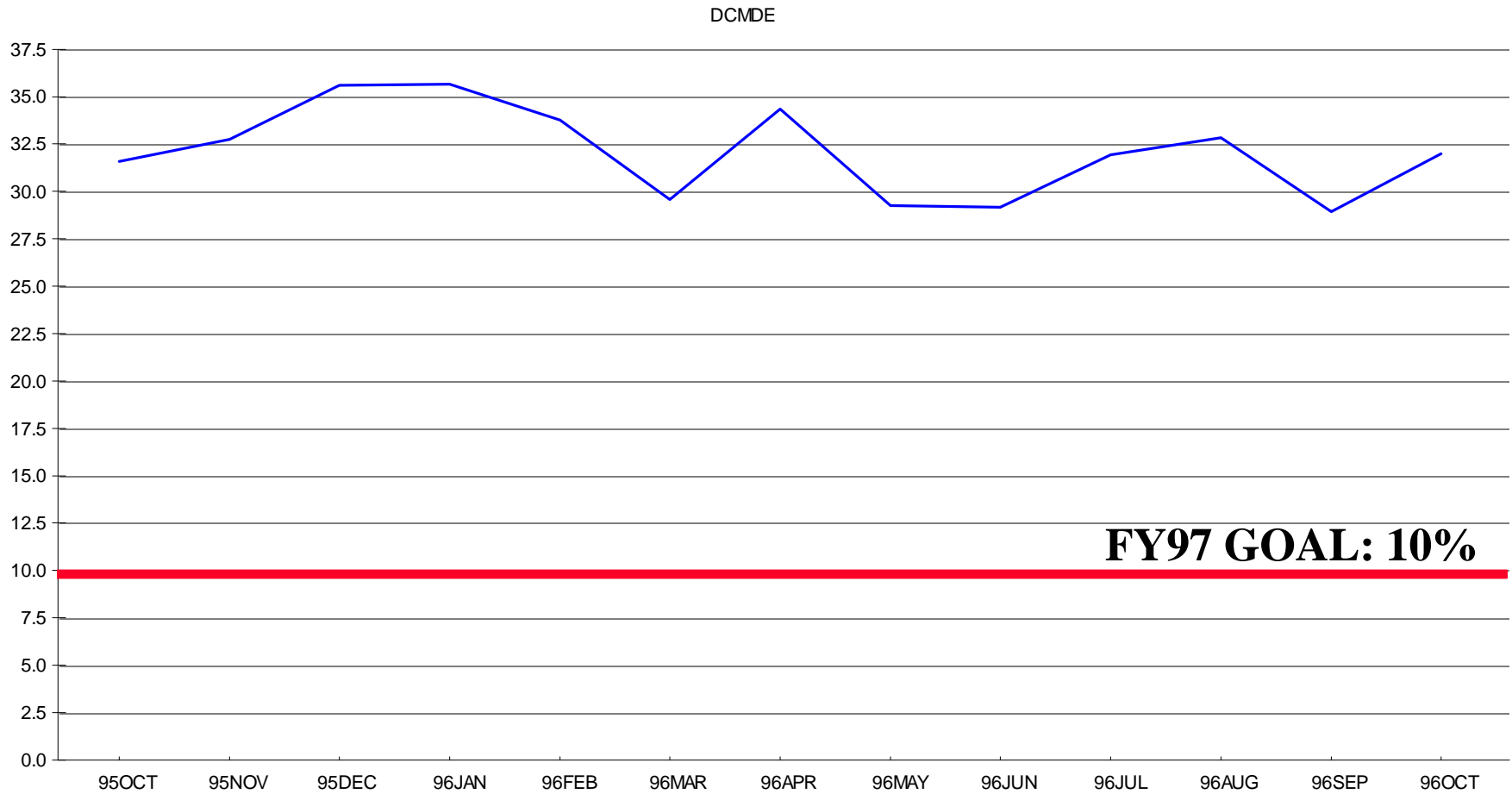
| <u>Field Office</u> | <u>Overage UCAs</u> | <u>Overage UCA \$</u> |
|-------------------------|---------------------|-----------------------|
| Grumman Bethpage | 246 | 209M |
| MD St. Louis | 168 | 31M |
| Van Nuys | 129 | 19M |
| Northrop Grum Hawthorne | 110 | 265M |
| ✓ Hughes LA | 83 | 15M |
| ✓ Boston | 75 | 6M |
| ✓ Boeing Seattle | 74 | 58M |
| Boeing Helicopter | 70 | 40M |
| ✓ Orlando | 46 | 18M |
| Allied Signal | 40 | 19M |
| MD Long Beach | 35 | 109M |
| Total | <u>1076</u> | <u>\$789M</u> |

**About 60%
of Overage
UCA \$**

**Over 56%
of Overage
UCAs**

DCMDE

Right Price
UCA DEFINITIZATION
% OF UCAs ON-HAND OVER 180 DAYS



DCMDE

Right Price

UCA Definitization

(% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

Comments:

- o Overage for Oct 96 is 32% (998/3122)
- o Top ten CAOs with approx. 62% of overage
- o Spike is a result of actions at
 - oo Raytheon (22 new - SOW changes included in error)
 - oo Indianapolis (22 new - Additional funds required)
 - oo Baltimore (14 new - No common delay factor)
- o District staff visited DCMC Boston last week of Nov using checklist developed at DCMC - results being analyzed. Visit scheduled to DCMC Orlando second week of Dec 96 - visits to other top drivers being scheduled

o Get Well Date: 4th Quarter FY 97

Business Plan Reference: N/A³⁰

DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

TOP TEN DRIVERS

o DCMC Orlando (70.0%) (70/49) - Nonreceipt of GFM repair parts from NAVICP CAO providing assistance. Staff visit scheduled for Dec 96.

Target recovery: Dependent on results of staff visit.

o DCMC Boeing (55.5%) (128/71) - 40 late proposals; spares for CH46 program out of production 25-30 years. Contractor having problems estimating cost. CAO Commander meeting with Contractor Management.

Target recovery: Mar 97

o DCMC Lockheed Sanders (44.0%) (84/37) - Protracted negotiations due to proposal updates. Renewed emphasis on UCAs. Target recovery: Feb 97

Business Plan Reference: N/A

DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

TOP TEN DRIVERS (Cont.)

o DCMC Grumman Bethpage (40.9%) (553/226) - Although percentage stayed the same, CAO reduced UCAs on hand by a net of 50 and reduced overage by a net of 20. Planned 50 for Oct, negotiated 53.

Target recovery: Dec 97.

o DCMC Lockheed Pittsfield (35.1%)(57/20) - 15 late proposals.

ACO/Contractor meeting held. Reduced 15 to 3. Intensive monitoring being continued. Target recovery: Feb 97.

Business Plan Reference: N/A

DCMDE

Right Price UCA Definitization (% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

TOP TEN DRIVERS (Cont.)

- o DCMC Allied Signal (33.3%)(105/35) - CAO has gone from 54.8% overage in Sep to 33.3% this month. Renewed management emphasis (CAO and Contractor) on specific groups of orders. Target recovery: Feb 97.
- o DCMC Raytheon (31.3%)(144/45) - High influx of small single CLIN Navy orders, CAO and contractor combining proposals and negotiations, 20 of 45 O/A had SOW changes - will restart clock next month. Target recovery: Jan 97.
- o DCMC Sikorsky (31.0%)(174/54) - Closure of Navy repair facilities (primarily Pensacola) caused 30% increase in workload. Tiger team formed to attack initial input. Target recovery: Dec 96.

Business Plan Reference: N/A

DCMDE

Right Price UCA Definitization (% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

TOP TEN DRIVERS (Cont.)

o DCMC Hamilton Std (30.4%)(56/17) - 10 large dollar Overhaul and Repair; 7 others in negotiation with significant costs questioned (rates). District staff working with CAO to resolve issues. Resources working UCAs and 7 SPI projects. Target recovery: Jan 97.

DCMDE

Right Price UCA Definitization (% of UCAs On-Hand > 180 Days)

STATUS:



YELLOW

FY97 Goal: 10%

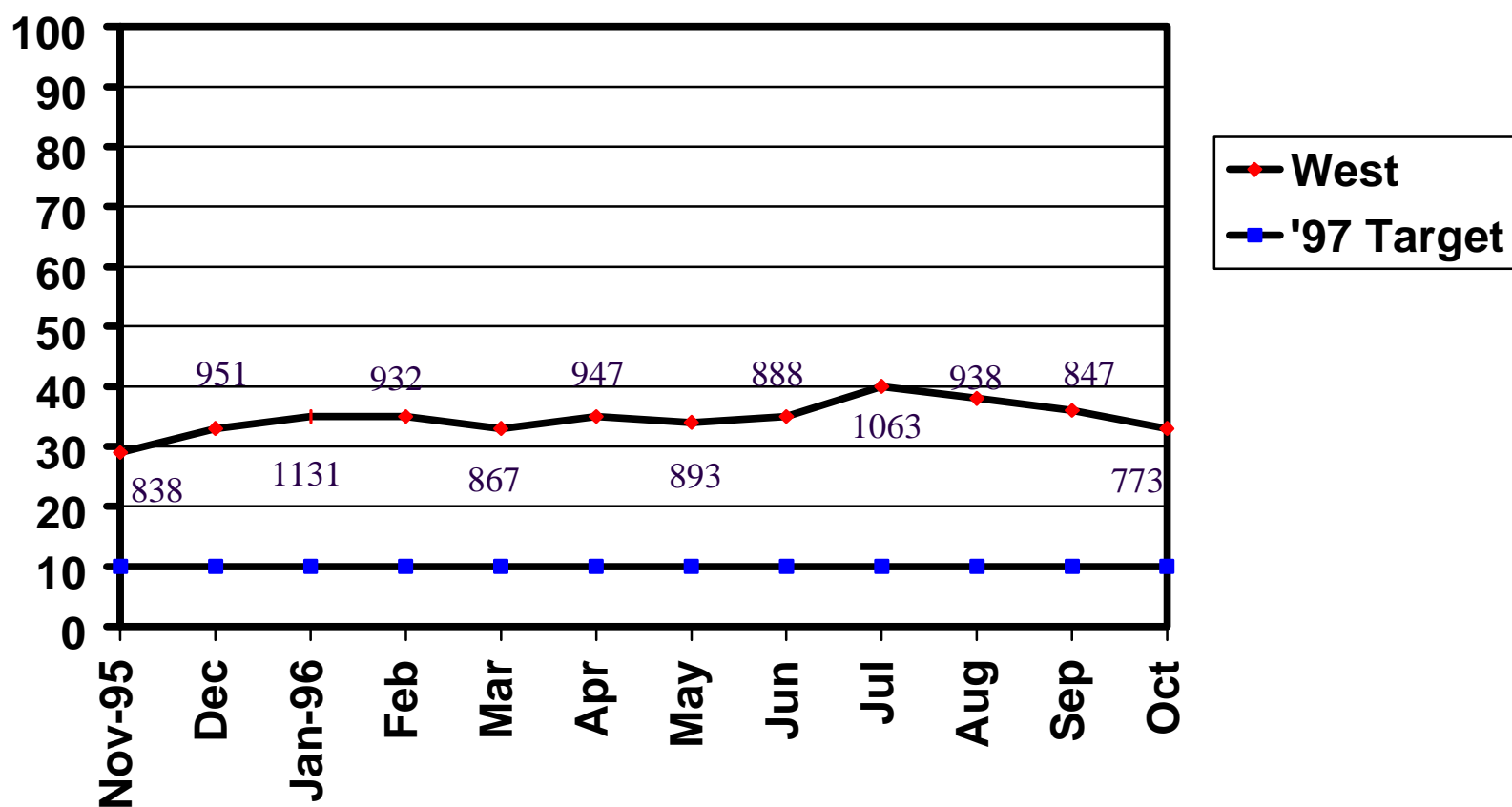
TOP TEN DRIVERS (Cont.)

District Visit to DCMC Boston

- o Reviewed 62% of the 65 overage UCAs, 40 were with two contractors, 27 with one and 13 with another.
- o One contractor; Sterlingware, DPSC; 27 UCAs are change orders to fixed price contracts for military coats and consist of shipment diversions and coat size changes and are O/A due to late proposals.
- o Second contractor; Bird Johnson, NAVSEA; 13 UCAs are overhaul and repair of propeller hubs and are O/A due to late receipt of GFM.
- o CAO implementing actions on streamlining proposal submittals and reviews.
- o District made recommendations on bulk funding for diversions, and flow processing GFM to identify bottlenecks and develop possible solutions.

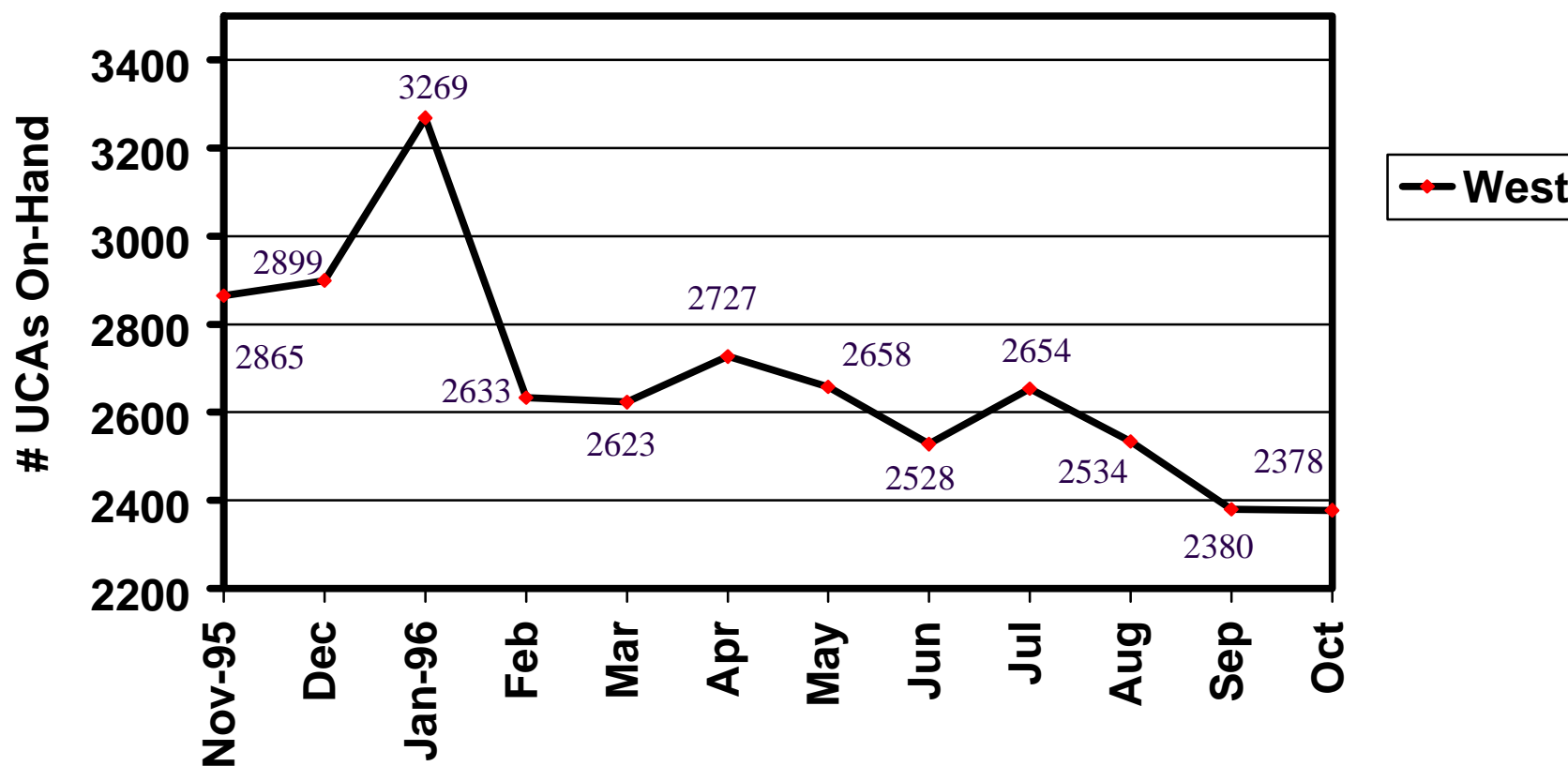
Right Price

Overage UCAs On-Hand
UCAs On-Hand > 180 Days / #UCAs On-Hand



Right Price

of UCAs On-Hand



Right Price

UCA Overage Dollars

- CAOs to be reviewed during December 96 and January 97 with high overage dollars

| | | Overage | Overage |
|------------------------|--------------|-----------|---------|
| | | UCAs | % |
| • <u>CAOs</u> | <u>Mil\$</u> | | |
| • Northrop-Grumman Haw | \$265 | 126 | 48 |
| • MD Long Beach | 108 | 32 | 49 |
| • Boeing/Seattle | 58 | 63 | 75 |
| • MD St. Louis | 31 | 175 | 47 |
| • Van Nuys | 19 | 84 | 21 |
| • Hughes LA | <u>15</u> | <u>77</u> | 38 |
| | Total | 557 | |
| | \$ 496 | | |

Right Price Bottom Line

- DCMDW Overage UCAs on downward trend
 - Jul 96 -- 40%
 - Aug 96 -- 38%
 - Sep 96 -- 36%
 - Oct 96 -- 33%



Right Price

FPRAs - # Completed/# Beneficial Segments

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---------------------------------------|--|---|
| Regulations Requiring Proposal | 5 | 1 |
| Dynamic Business Base | 5 | .1 |
| Consolidation of Industry | 5 | .1 |
| ACO Negotiation Process | 10 | 10 |

DCMDE PERFORMANCE TASK: 1.3.1.1

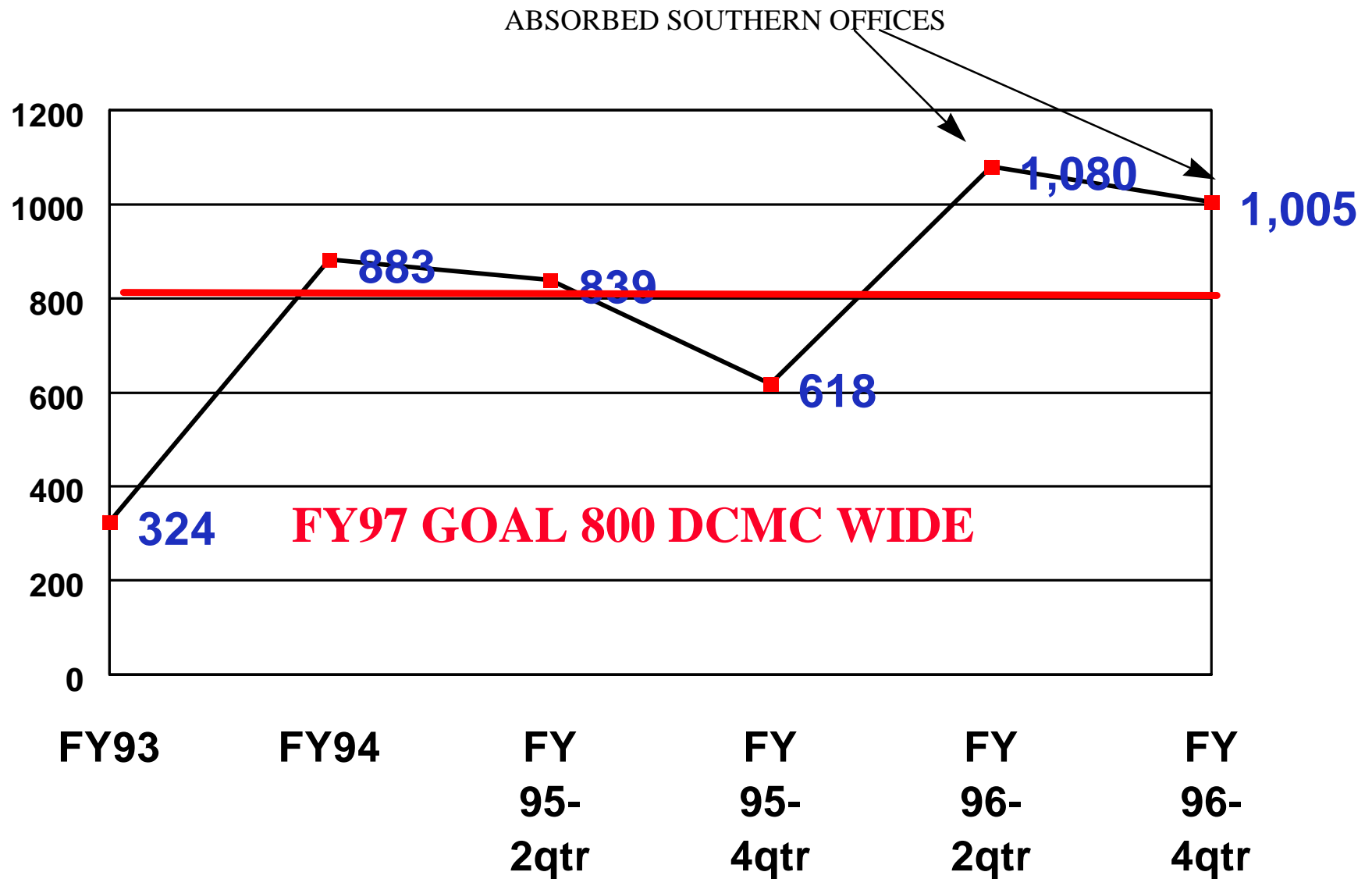
Engage in activities that will influence the reduction of the number of open overhead negotiations to an average of two years per location (about 800 open overhead years DCMC-wide).

STATUS:  **YELLOW**

- o Open overhead years as of 2nd Qtr FY 96 - 1,080
Open overhead years as of 4th Qtr FY 96 - 1,005
- o The total number of open years has gone down; however, the number of open years based on audit reports on hand over six months has not gone down and represents a large percentage.
- o The District task owner is in the process of developing a plan of action which will be coordinated with DCMC and will include scheduling visits to the top drivers. The Action Plan also calls for providing the DCAA Incurred Cost Database to all CAOs. This will mitigate the major issue found in years that remain open in which the audit is more than six months old. The Target Date for completion of this action plan is January 31, 1997.
- o A data call was forwarded to the field on November 22, 1996 requesting monthly updates to the current baseline of September 30, 1996.

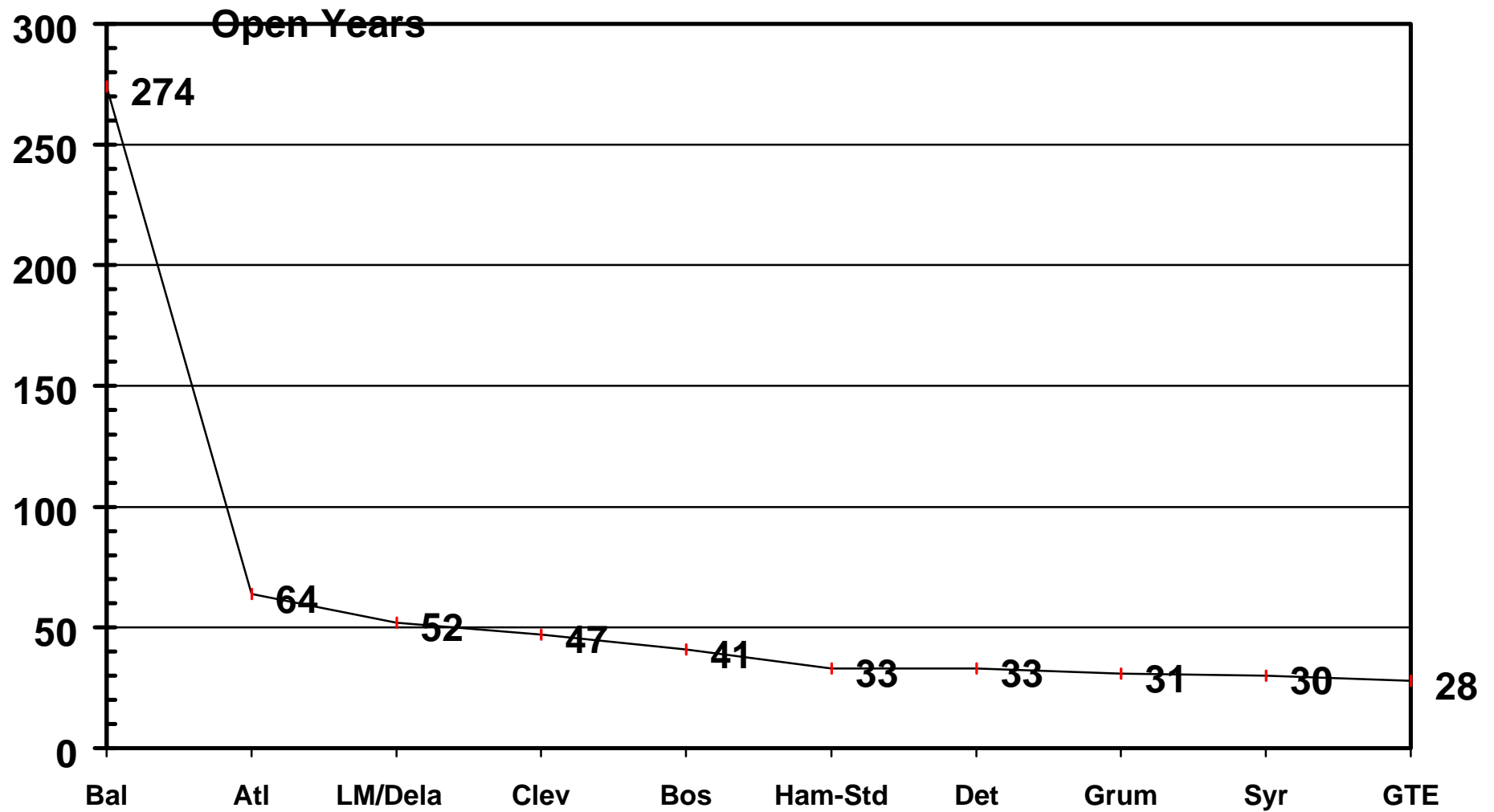
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PERFORMANCE TASK: 1.3.1.1 OPEN OVERHEAD STATUS



DCMDE

PERFORMANCE TASK: 1.3.1.1 CAOS HIGH DRIVERS



DCMDE

PERFORMANCE TASK: 1.3.1.1 ISSUES ON YEARS W/AUDIT OVER SIX MONTHS OLD

- ◆ TOTAL YEARS IMPACTED 315
- ◆ LEGAL ISSUES - 12
- ◆ HOME OFFICE EXPENSES - 41
- ◆ DCIS/ASBCA - 11
- ◆ BOARD OF REVIEW - 45
- ◆ DCAA WAITING FOR PRIOR YEARS,
FACT FINDING, IN NEGOTIATIONS -
206

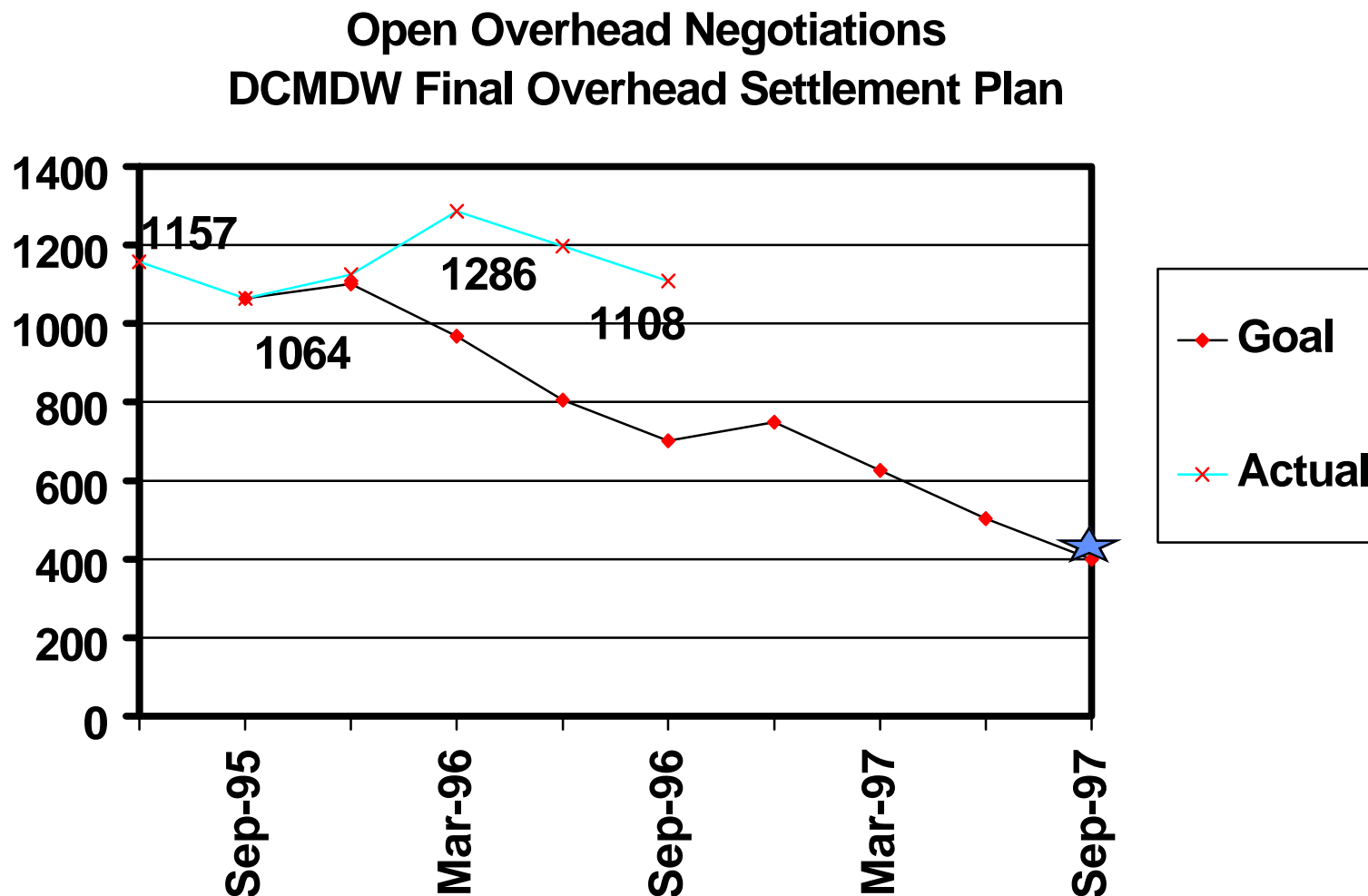
Open Overhead Negotiations

Task 1.3.1.1

- No change status - Red
- No new data - semi-annual reporting
- On horizon
 - Overhead Center meeting Dec 18, 1996
 - Start on-line metric data load March 1997

Performance Goal Task 1.3.1.1

Reduce No. of Open O/H Negotiations





Right Price

Cost Overruns on Major Programs

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|------------------------|--|---|
| C/S Contracts | 3 | 8 |
| Cost Overruns | 10 | 10 |



Right Price

Amount of Loss, Damage, and Destruction

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Effectiveness of Contractors' Property Control Systems | 10 | 7 |
| Effectiveness of Property Administration Process | 5 | 10 |
| Amount/Type of Property Provided | 1 | 1 |

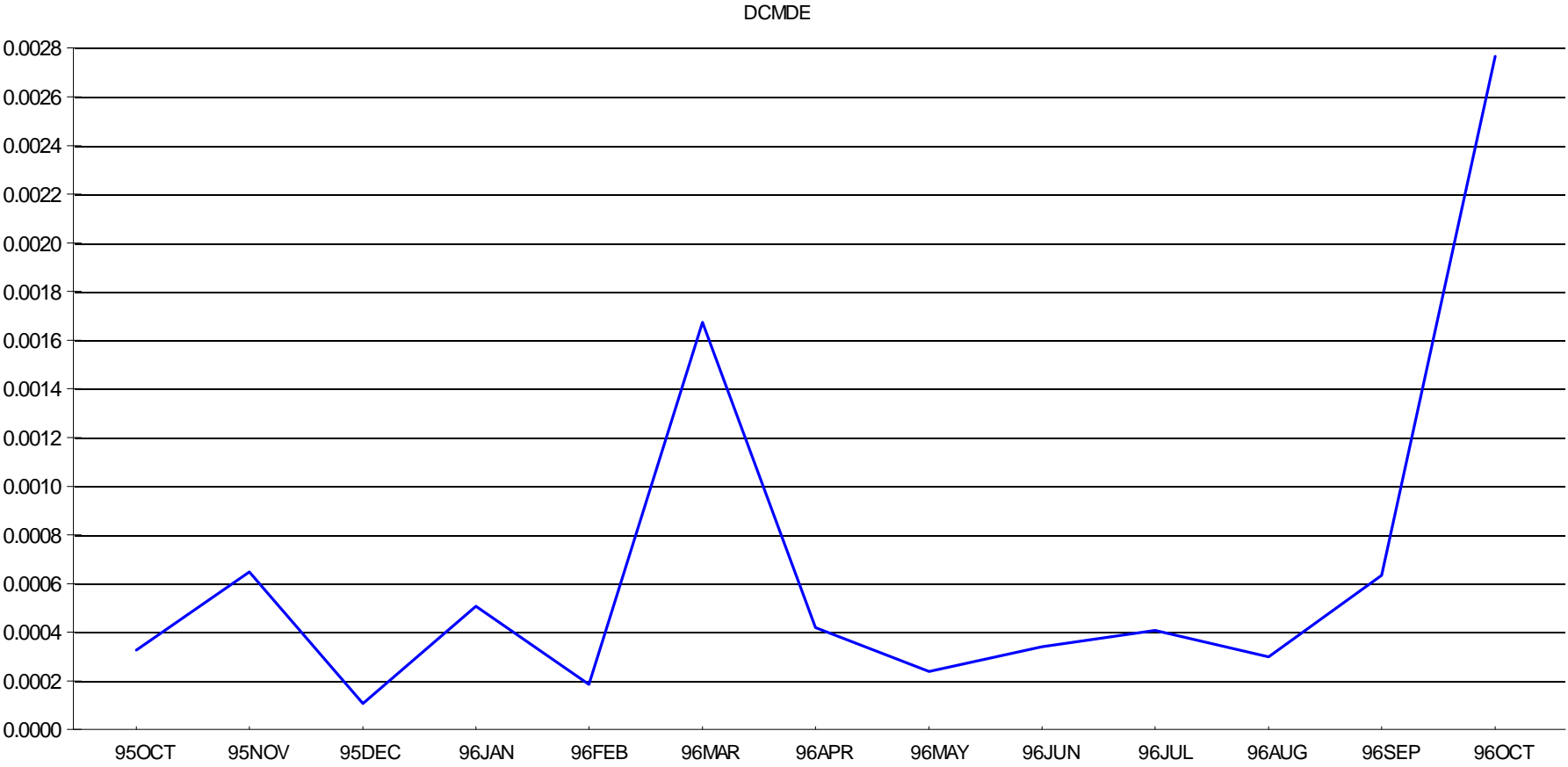
DCMDE

Right Price

DOLLAR VALUE OF LDD GOV'T PROPERTY
LDD\DOLLAR VALUE OF GOV'T PROPERTY

LDD\DOLLAR VALUE OF GOV'T PROPERTY

Layer 3/3



DCMDE

Right Price

\$ Value of Lost/Damaged/Destroyed Government Property
(\$ LDD as % Total Property Compared to Industry Standard)

STATUS:



YELLOW

FY97 Goal: Reduce LDD

o LDD reported FY 96 - \$16,327,740

o FY 97 goal: Reduce total amount of LDD

o Amount of LDD reported during this period: \$ 7,847,193

o Drivers: DCMC Raytheon - \$6,835,542
DCMC Grand Rapids - \$ 585,870

* Losses reported during this period provide strong indication that we may not meet DCMDE's goal.

Business Plan Reference: N/A

DCMDE

Right Price

**\$ Value of Lost/Damaged/Destroyed Government Property
(\$ LDD as % Total Property Compared to Industry Standard)**

STATUS:



YELLOW

FY97 Goal: Reduce LDD

TOP DRIVER

DCMC Raytheon

o Root Cause: Raytheon Company's reporting procedures for LDD were inadequate. Items were not reported lost until a second triennial physical inventory was completed. The results of a wall-to-wall inventory conducted throughout 1995 disclosed losses that occurred as far back as 1990. The LDD report for October is the final reconciliation of that inventory. Raytheon's system for declaration of excesses was not sufficient. Property was maintained under five property control systems, causing accountability problems.

DCMDE

Right Price

**\$ Value of Lost/Damaged/Destroyed Government Property
(\$ LDD as % Total Property Compared to Industry Standard)**

STATUS:



YELLOW

FY97 Goal: Reduce LDD

DCMC Raytheon (continued)

o Corrective Action: DCMC and Raytheon Company jointly developed a new property control system (PCS), merging five systems into one. New control procedures were developed which included revised procedures for the immediate reporting of LDD and an improved system for reporting property excess. An aggressive program for declaration of excess is in process under the Patriot, Trident and SADS Program. A property control system analysis is in process. The high risk function of Disposition is being reviewed in January 1997 and system improvements will be tested for adequacy. Compliance with the FY97 Property Management Strategies has been emphasized for all contractors within DCMDE.

Get Well Date: Completion of PCS Analysis - June 1997

Business Plan Reference: N/A



Right Advice

ASP & RFP Participation

Cumulative # Instances

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Command Emphasis | 10 | 10 |
| Lessons Learned Gathering & Dissemination | 7 | 10 |
| Infrastructure | 7 | 10 |
| Customer Receptiveness | 10 | 3 |



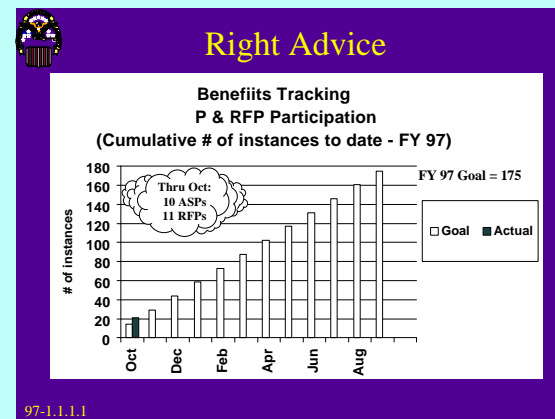
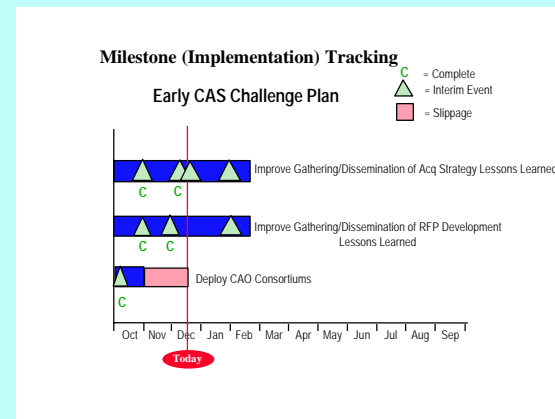
Right Advice

ASP & RFP Participation - Repeat Business Cumulative # Instances

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Command Emphasis | 10 | 10 |
| Lessons Learned Gathering & Dissemination | 10 | 10 |
| Infrastructure | 7 | 10 |
| Customer Receptiveness | 7 | 3 |

1.1.1-Early CAS Challenge: ASP & RFP Participation

- **31 Nov 96 Update: Liaison interviews of acquisition leaders at buying activities underway. Summary of lessons learned from completed RFP review completed and ready to be loaded on WEB. Commander comments re CAO Consortiums reviewed and revised concept developed.**

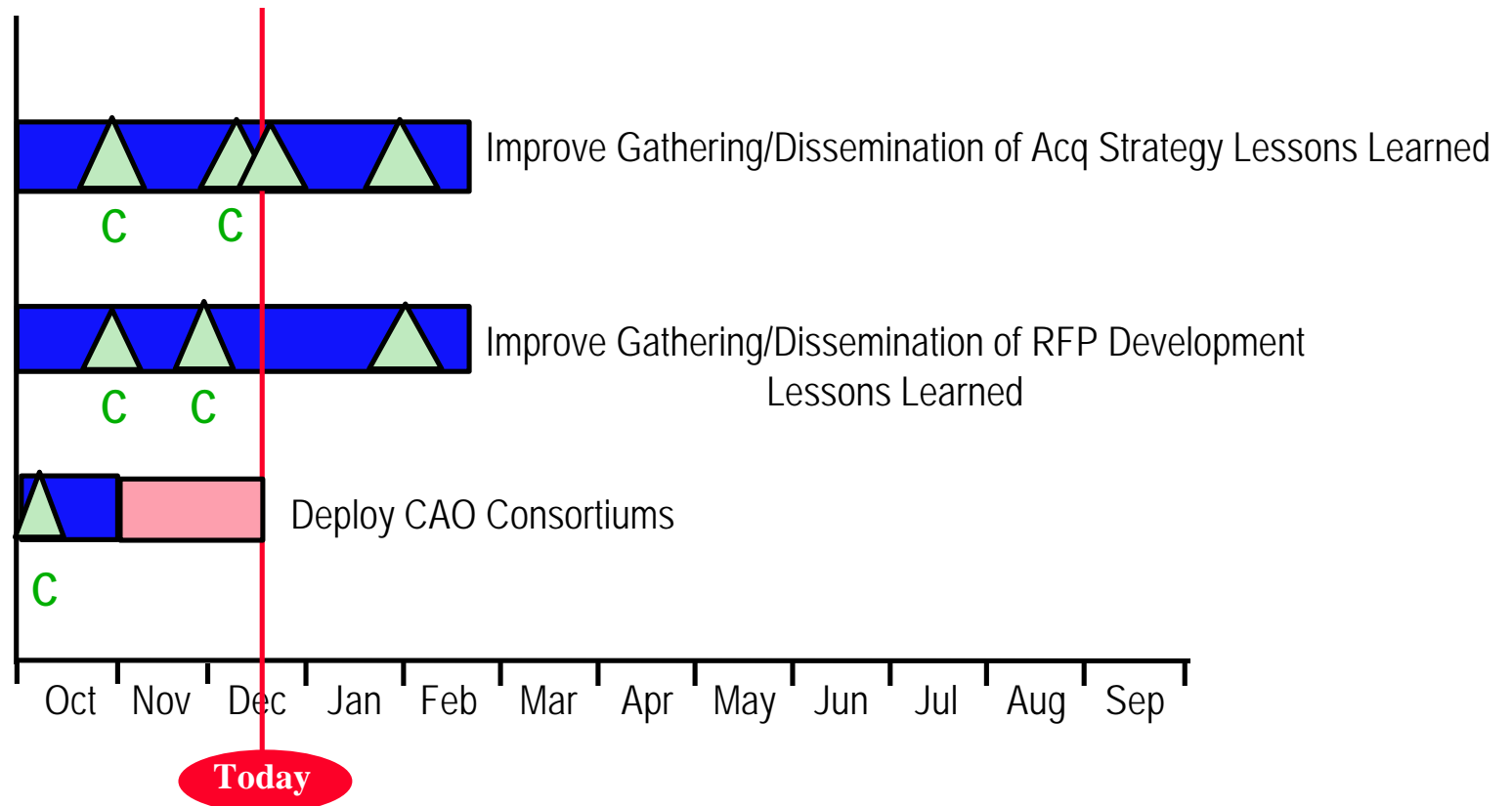


97-1.1.1.1

Milestone (Implementation) Tracking

Early CAS Challenge Plan

- C = Complete
- △ = Interim Event
- = Slippage





Right Advice Metric

Percentage of Software Recommendations Adopted

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Training (Software Professional Development Program) of s/w surveillance workforce | 10 | 10 |
| Time (in relation to Number & Quality of Recommendations generated) spent on s/w surveillance | 5 | 10 |



Right Advice CAL

% Contractors on the CAL

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--------------------------|--|---|
| 65% Delivery Rate | 10 | 10 |
| Level III/IV CAR | 10 | 10 |
| Negative PAS | 10 | 10 |



Right Advice

SPI - Processes Modified/Processes Submitted

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| ACO facilities review of process | 3 | 3 |
| ACO gathers positions from customers | 3 | 3 |
| Agreement of customers | 6 | 3 |
| Technical feasibility | 10 | 3 |
| Potential cost savings | 10 | 3 |
| Long term implementation effects | 10 | 3 |
| Promoting SPI | 6 | 10 |



Right Advice

Preaward Survey Timeliness

Surveys Complete On-Time/# Surveys

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|------------------------|--|---|
| Mail | 10 | 2 |
| Need Date | 10 | 10 |
| Complexity | 5 | 10 |
| PASM Availability | 3 | 5 |



Right Advice

Reduction in the Amount of DoD Property

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Customer Decisions to Provide Property Effectiveness of Property Administration | 10 | 1 |
| • Utilization Reviews | 3 | 10 |
| • Acquisition Reviews | 2 | 9 |
| • Effectiveness of Plant Clearance | 2 | 9 |



Right Advice

Percent of Property Reported Excess

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Effectiveness of Contractors' Property Control Systems | 10 | 7 |
| Effectiveness of Utilization Reviews | 5 | 10 |
| Effectiveness of Plant Clearance | 2 | 9 |



Right Reception

Customer Satisfaction 4.1.1

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Establishing good relationships | 10 | 4 |
| Program Integrators | 8 | 10 |
| Program Support Team | 6 | 8 |
| Liaisons | 3 | 10 |



Right Reception

Customer Satisfaction

Analysis Level 2: DSCC PCO Response

- Issue
 - DCMC Portland is non-responsive in the areas of contract payment and DFAS interface
- Action
 - DCMDW working with DCMC San Francisco to evaluate payment process and DFAS coordination at DCMC Portland
 - Will “close the loop” with the customer



Right Reception Customer Satisfaction

Analysis Level 2: Item manager response

- Issue
 - Some item managers don't know about/deal with DCMC. Are we surveying the right people?
- Action
 - AQOA reviewed Nov responses - More than half would/could not take survey
 - DCMDE surveyed IS's instead based on input from IM PCO
- Recommendation
 - Survey IM PCO, not IM
 - Continue to define customer base in logistics center/ICP arena
 - Gather information from liaisons
 - Use inputs from IM PCO



Right Reception

Service Standards 4.1.3

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Number of staff | 6 | 10 |
| Support Techn./Infrastructure | 8 | 10 |
| Knowledge/Attitude of Admin staff | 10 | 8 |
| Knowledge/Attitude of Functional Experts | 8 | 8 |



Right Reception Post Card Trailers

Process Drivers

Relative Impact on Top Level Metric

Relative Degree of Influence/Control

The product characteristics that we ask the recipient to rate.
Relative ranking when empirical evidence available.



Right Efficiency

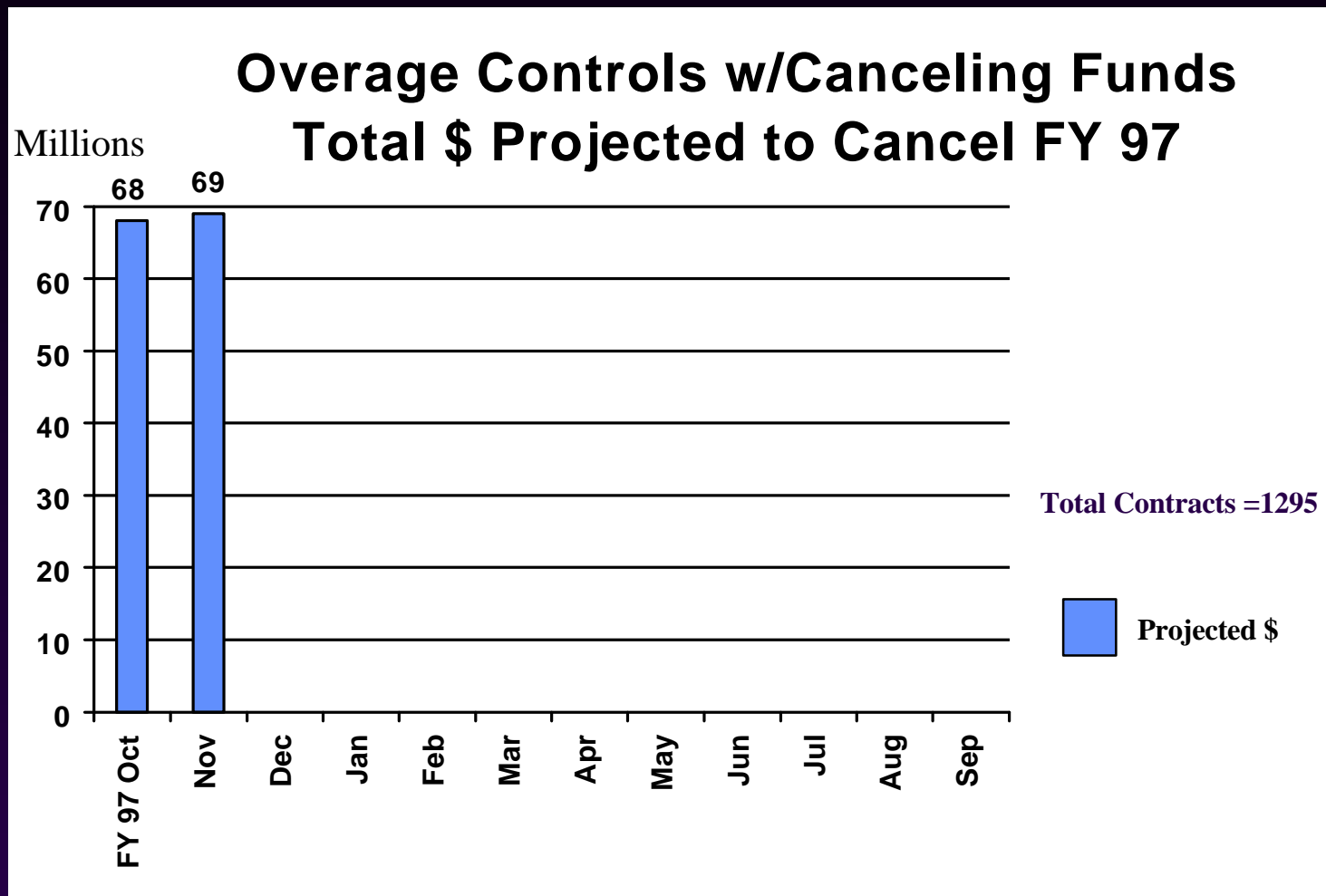
Contract Closeout - Overage Contracts w & w/o Canceling Funds

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|---|--|---|
| Awaiting final overhead rates | 10 | 10 |
| Awaiting final invoice | 5 | 8 |
| Awaiting final payment for reasons including posting errors, and not enough of the correct FY funds | 4 | 6 |
| Awaiting final audit results | 3 | 6 |

The CAOs support Overhead Rates as #1, believe that the DFAS posting errors are next re their impact and would add RECONCILIATION as a driver.



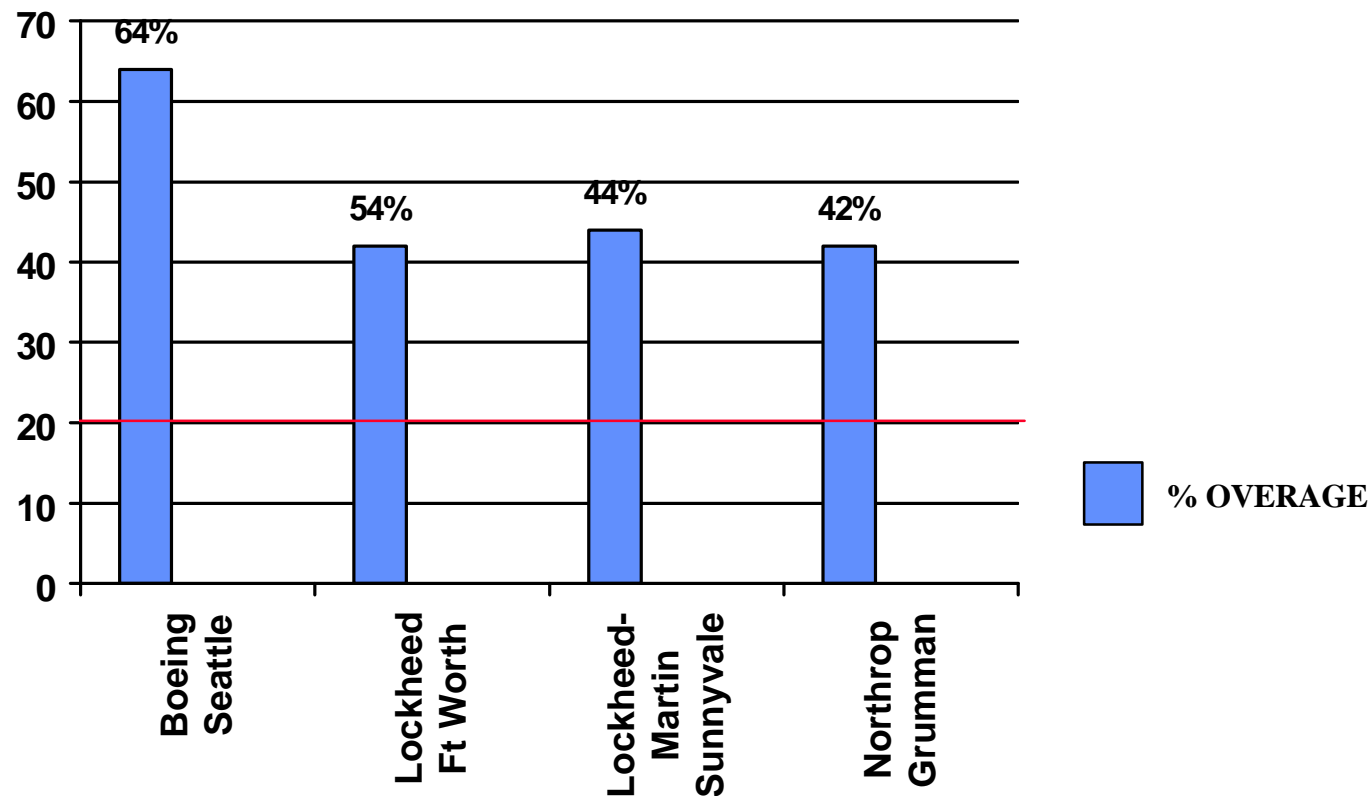
Right Efficiency Contract Closeout





Right Efficiency

Top Drivers (Contract Closeout)

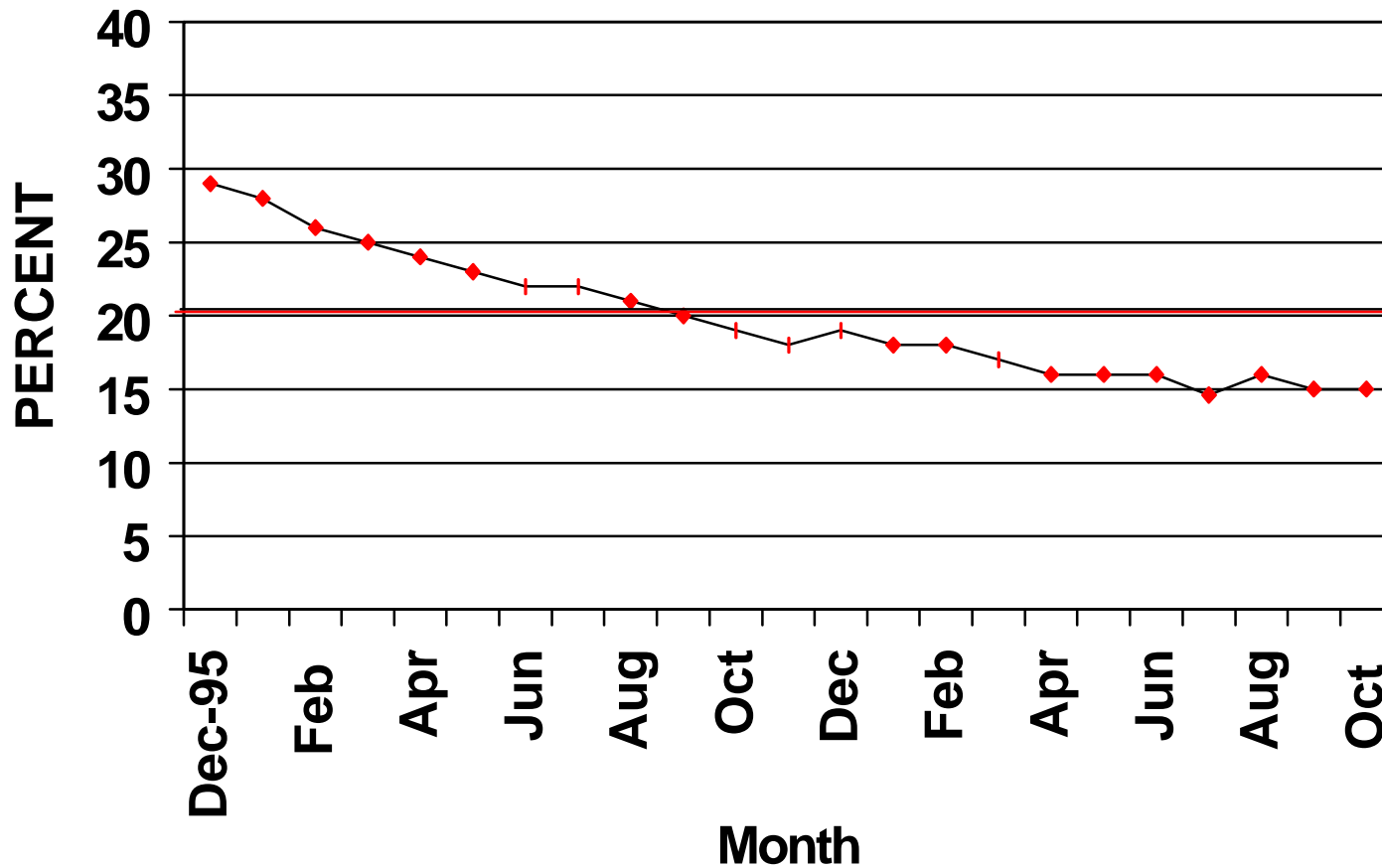




Right Efficiency

Contract Closeout

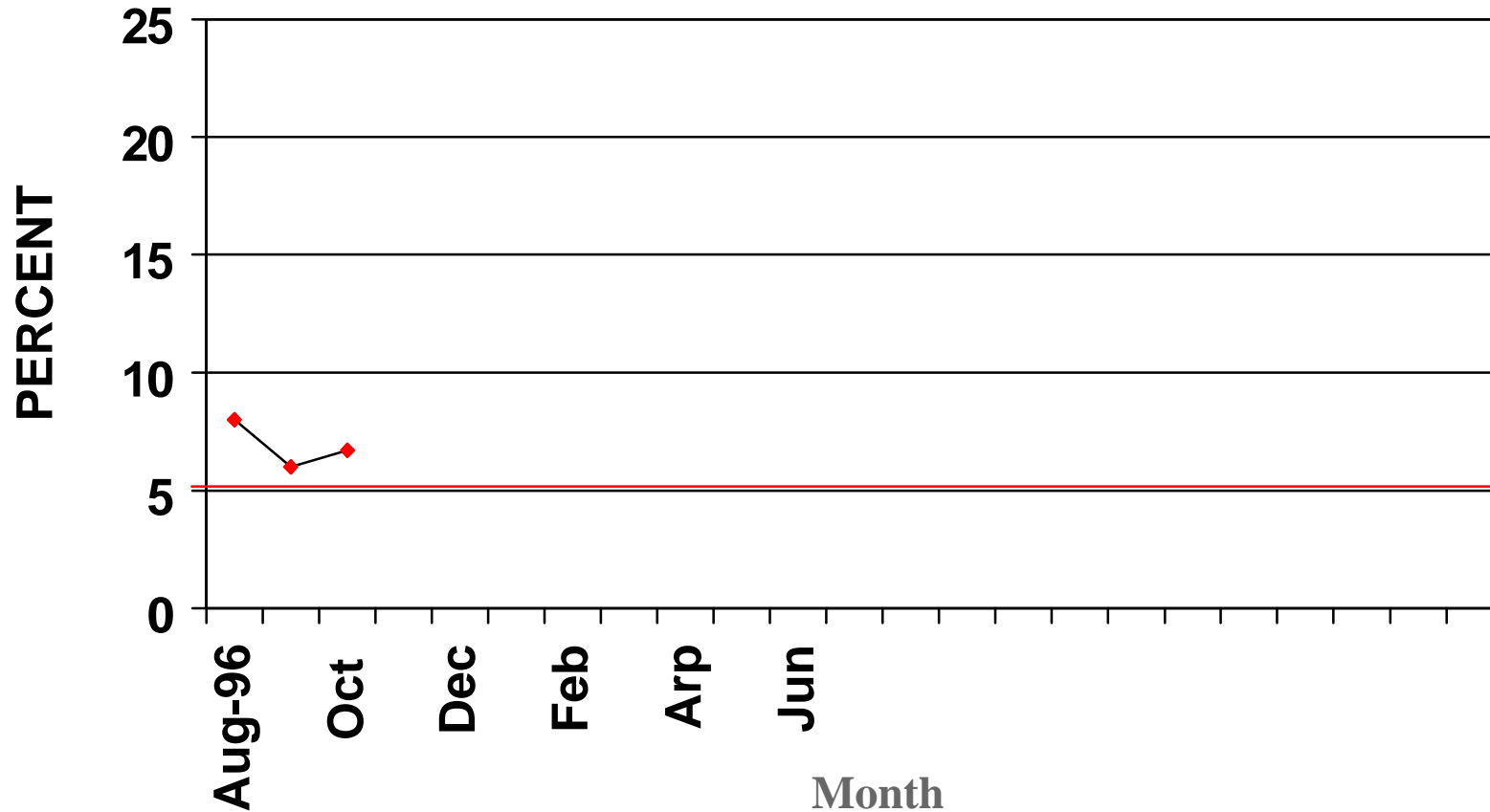
(Contracts Overage/Contracts Awaiting Closeout 15%)





Right Efficiency

Contract Closeout
(Contracts Overage w/Canceling Funds 7%)





Right Efficiency

Contract Closeout

Overall Status: YELLOW

- **Contracts overage w/out canceling funds 15%**
Performance Goal Rating: Green
- **Contracts overage w/canceling funds 7%**
Performance Goal Rating: Yellow
- **% overage w/canceling fund metric recently written and added to revised metric guide book**
- **As a result of the GRP/LDR's conference reevaluating the population of contracts measured for the 5% bogie**

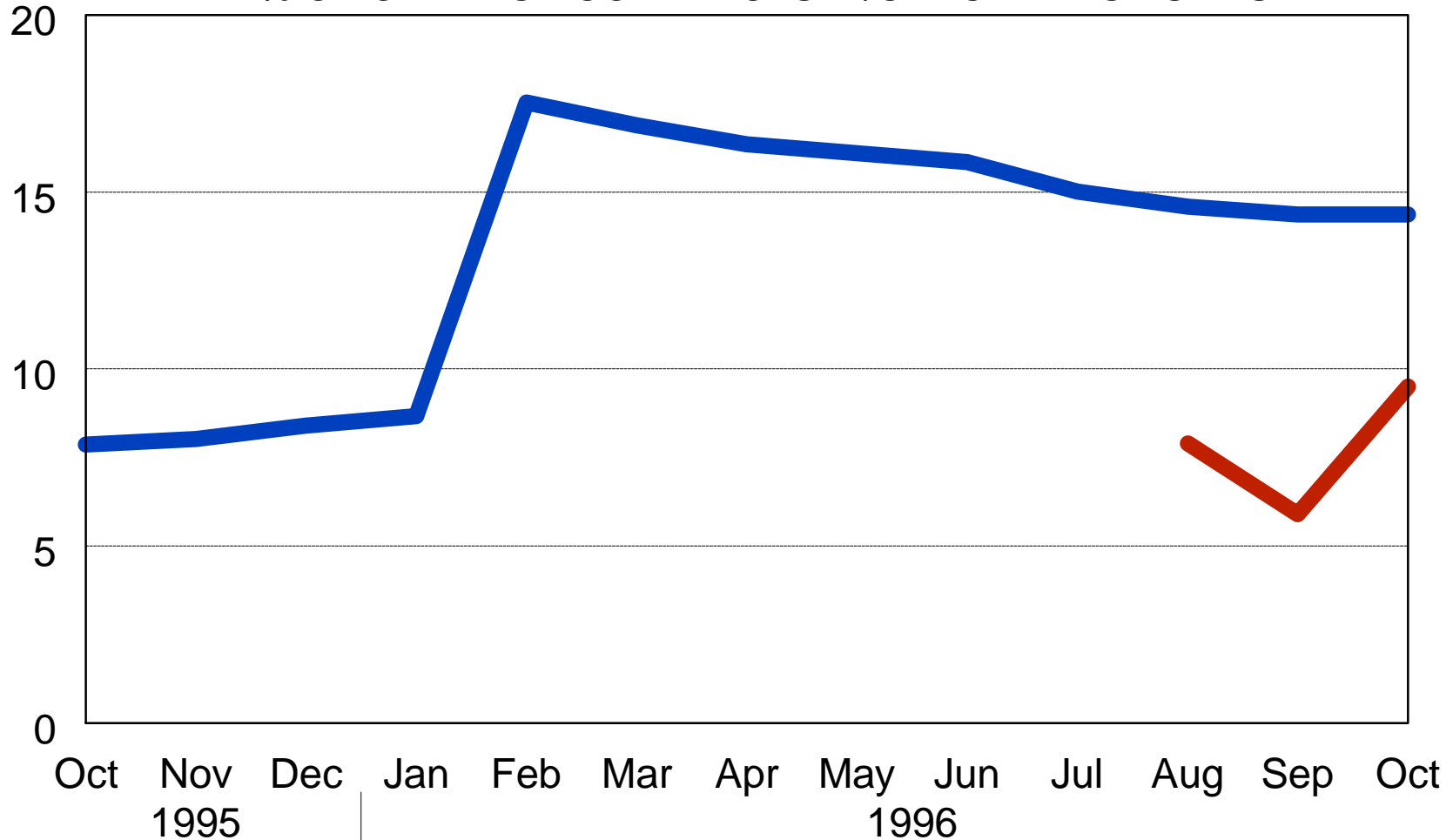
DCMDE

Right Efficiency

CONTRACT CLOSEOUT

% OF OVERAGE CONTRACTS

% OF OVERAGE CONTRACTS W/CANCELLING FUNDS



STATUS:




YELLOW


**FY97 Goal: Overage 20%
with Canceling Funds 5%**

Comments:

- o Goal for contract overage: 20%

- District Rate: 14.4%  Green

- o Goal for overage contracts with canceling funds: 5%

- District Rate: 9.5%  Yellow

- District summary report precludes identification of the top ten CAOs.

STATUS:  **YELLOW****FY97 Goal: Overage 20%
with Canceling Funds 5%**

5% Overage Contracts with canceling funds:

- o New Goal

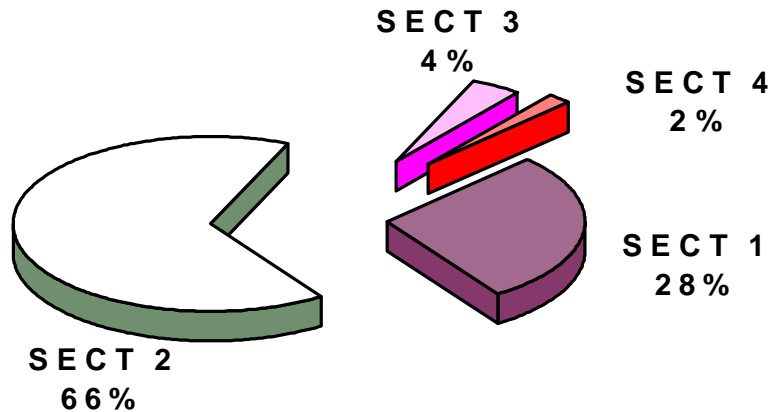
- Established in FY97 Performance Plan
- Metric not defined/published
- Draft metric under HQ review

- o HQ/Districts/DFAS VTC held on November 22, 1996

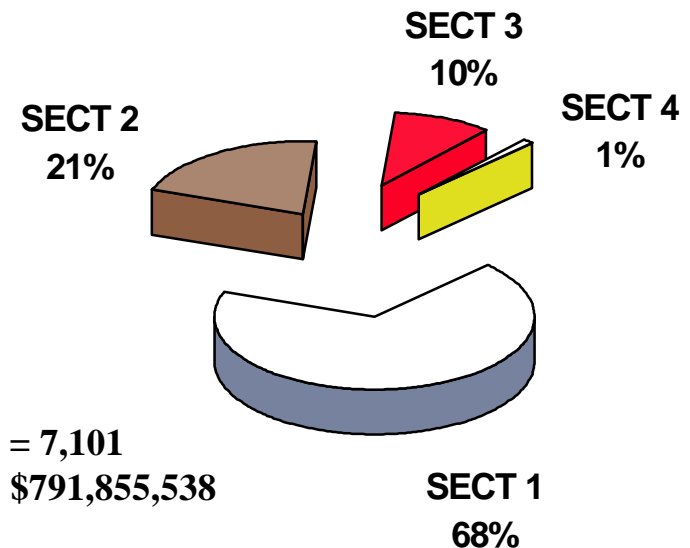
DISTRICT EAST CANCELING FUNDS ANALYSIS

RISK AREAS HIGHEST NUMBER OF CONTRACTS VS HIGHEST ULO

PART A CONTRACTS BY CAR SECTION



\$ PART A ULOs BY CAR SECTION



DISTRICT TOTAL # PART A CONTRACTS AFFECTED = 7,101
DISTRICT TOTAL ULO PART A CONTRACTS AFFECTED = \$791,855,538
OCTOBER 96 DATA

Unreconcilable Contracts

Goal: Contract Closeout by APR 97

oo DFAS identified 57 contracts as candidates for contract closeout using the Negotiated Reconciliation Process. These 57 contracts and the Negotiated Reconciliation Process were detailed in AQOE letter dated Oct 25, 1996.

oo Of the 57 contracts, 27 contracts are assigned to 11 CAOs in the East District. The responsible CAOs were notified by letter on Nov 15, 1996 that monthly status reporting is required on these contracts until they are closed.

oo The first Monthly Status Report was submitted on Nov 29, 1996.

DCMDE

Unreconcilable Contracts

Goal: Contract Closeout by APR 97

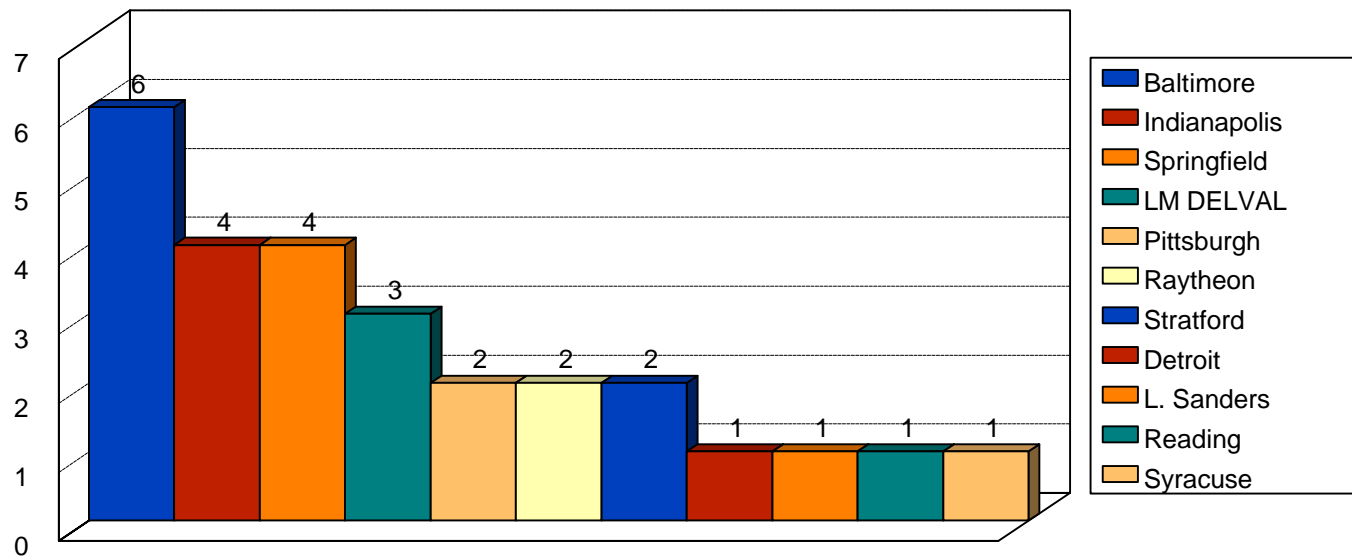
RESULTS

- oo DCMC Baltimore has closed 3 contracts.
- oo DCMC Indianapolis has transferred 1 contract to DCMC Phoenix.
- oo As of November 29, 1996, 23 contracts remain to be closed using the Negotiated Reconciliation Process.

Unreconcilable Contracts

Goal: Contract Closeout by APR 97

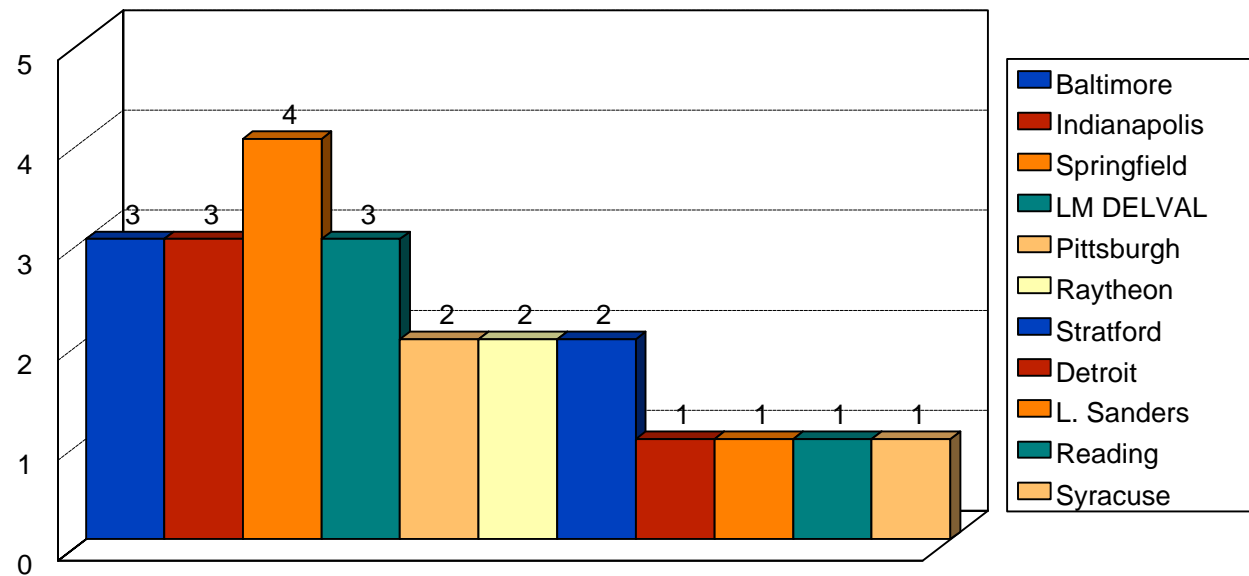
Status as of Oct 25, 1996



Unreconcilable Contracts

Goal: Contract Closeout by APR 97

Status as of Nov 29, 1996



Right Efficiency

Contract Closeout

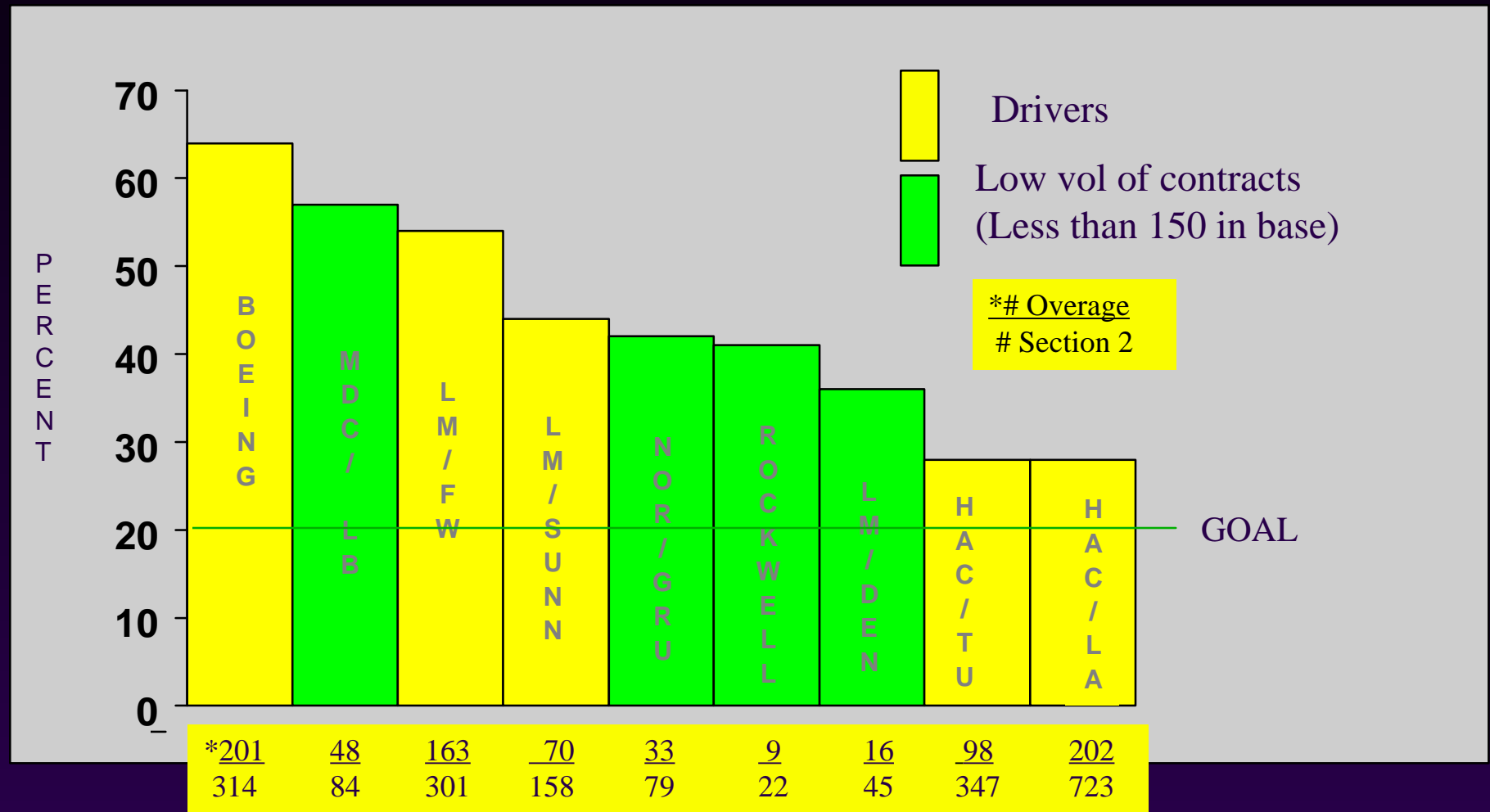
Status: **Green**

Comments

- Performance measurement: Overage contracts/contracts awaiting closeout
- Goal: Not more than 20% overage contracts
- District West - 14.94%

Right Efficiency

Contractors Exceeding 20% Goal



Performance Goal 1.3.1

Continually improve contract closeout process so that not more than 5% of physically completed contracts have funds due to cancel at the end of the FY

Status: YELLOW

- District West - Oct = 9.1%
- We are working closely with Headquarters and DCMDE to develop a method of capturing the data at the CAO level, expect to have ability by January MMR.

Performance Goal 1.3.1

Continually improve contract closeout process so that not more than 5% of physically completed contracts have funds due to cancel at the end of the FY

- VTC with Headquarters and the East on 22 November 96
- Goal should be changed to reflect all canceling funds

SPECIAL INTEREST ITEM

STATUS OF 57 DFAS UNRECONCILABLE CONTRACTS SENT TO TO DCMC FOR NEGOTIATION (30 DCMDW)

Status: **Green**

- J. Pettibone letter dated 25 Oct 96 directed that ACOs reconcile and close the contracts.
- In accordance with Ms. Pettibone's direction, field office are actively working the contracts



Right Efficiency

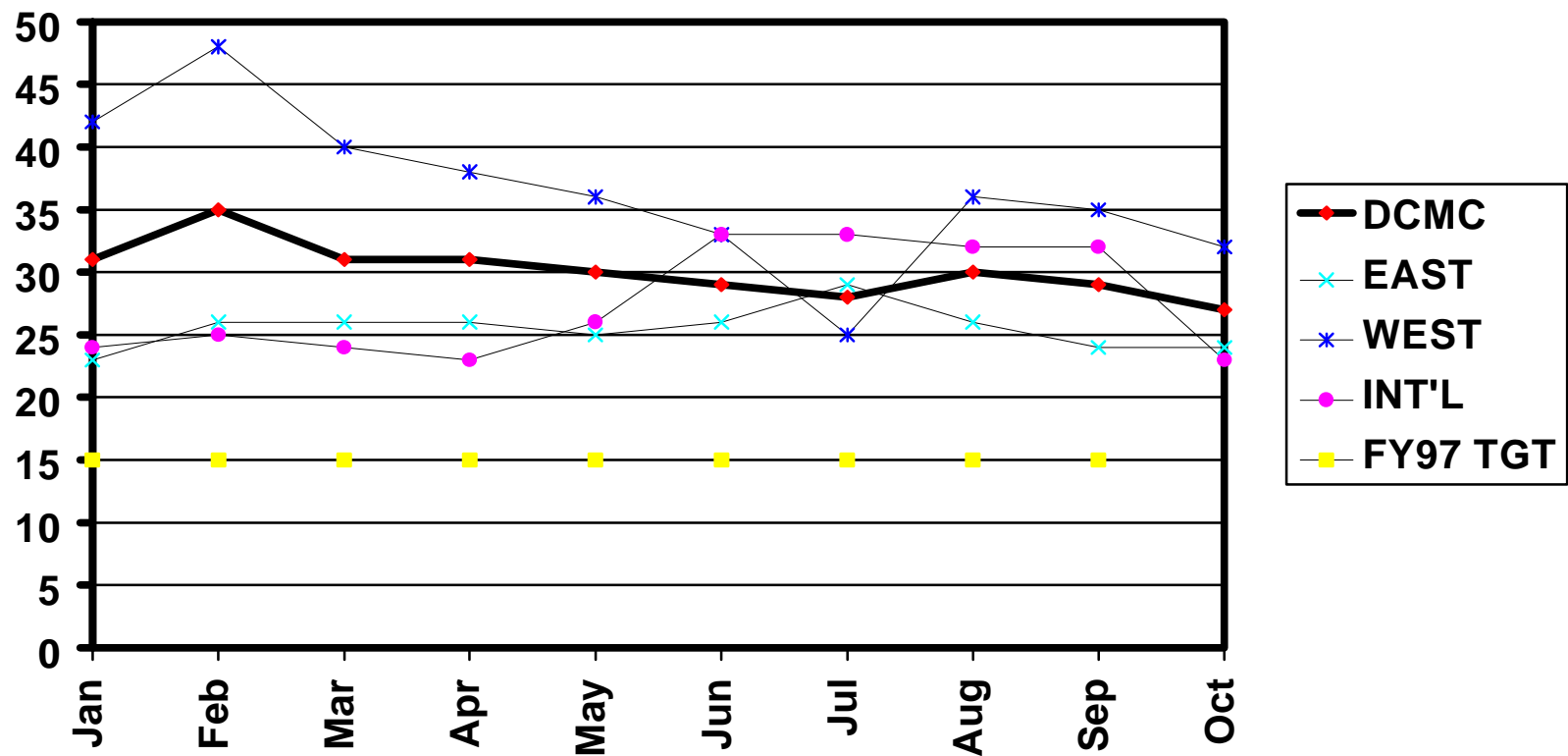
Termination Actions - Overage Dockets

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|-----------------------------------|--|---|
| Protracted Negotiations | 5 | 10 |
| Plant Clearance | 5 | 7 |
| Unilateral/final decisions | 6 | 4 |
| Late proposals | 10 | 7 |
| Awaiting Funds | 5 | 2 |
| Awaiting DCAA Audits | 4 | 2 |



Right Efficiency

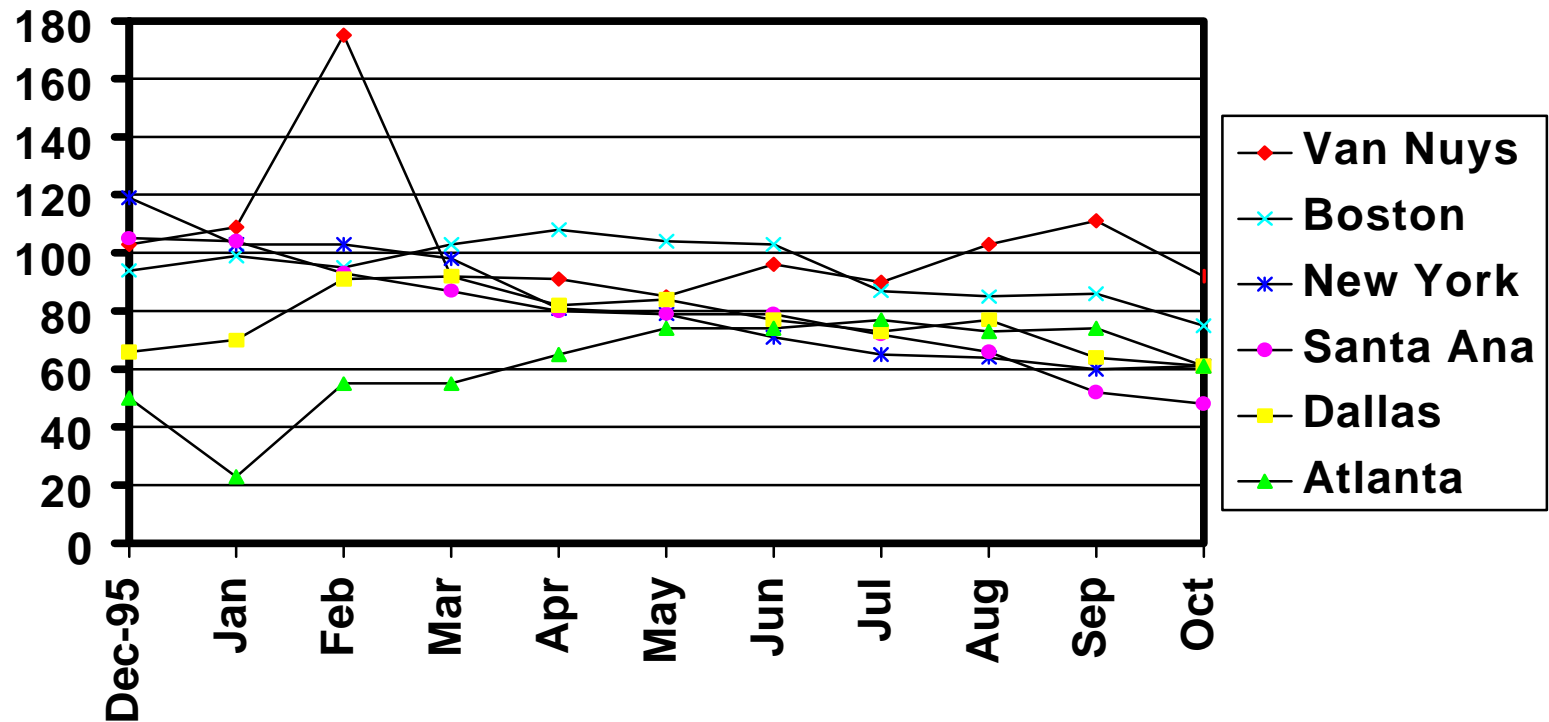
TERMINATION ACTIONS
PERCENT OF DOCKETS OVERAGE





Right Efficiency

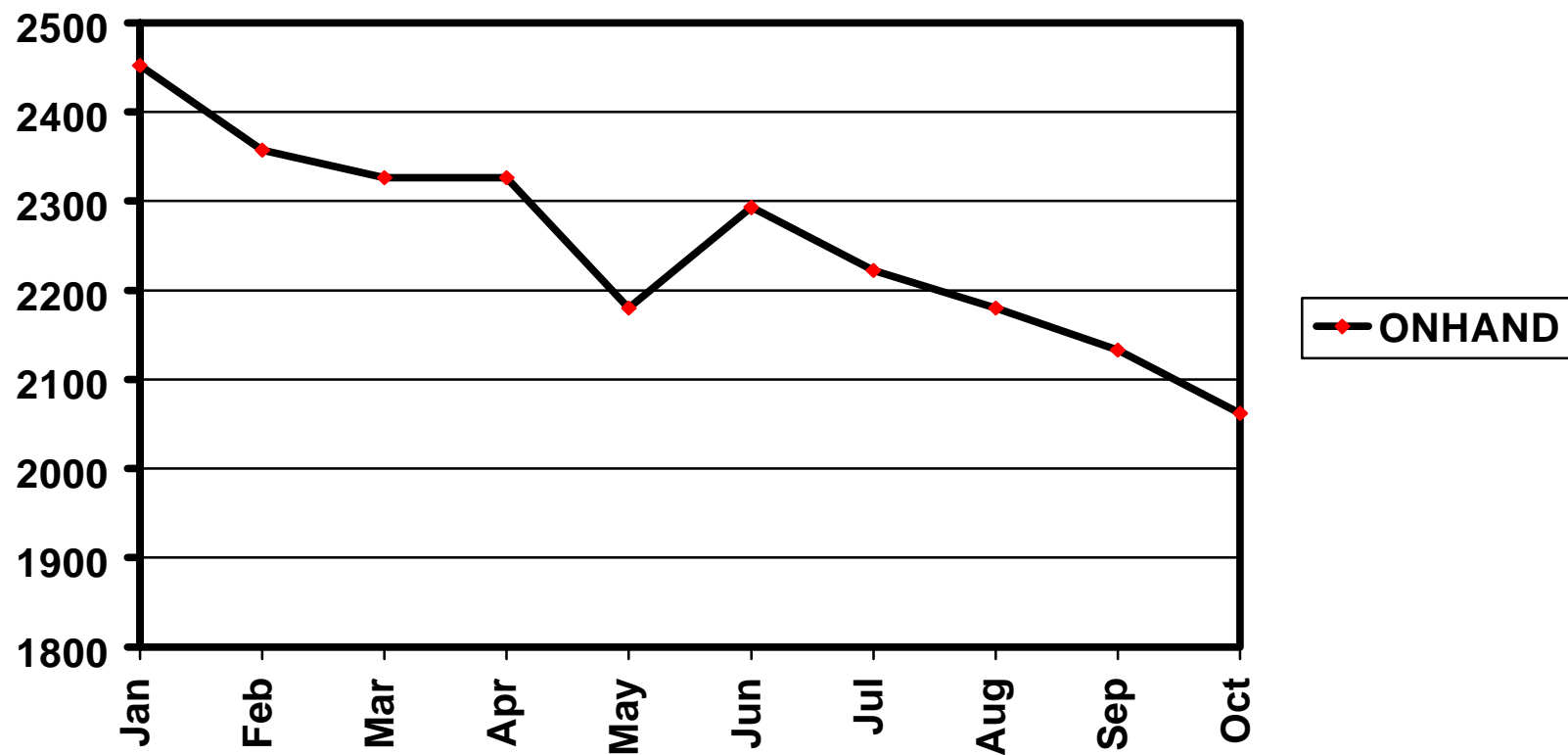
TERMINATION ACTIONS
PACING ORGANIZATION
NUMBER OF OVERAGE DOCKETS





Right Efficiency

TERMINATION DOCKETS ON HAND CY96





Right Efficiency Termination Actions

Status: Yellow

- 6% IMPROVEMENT OVER CY96
- 1% REDUCTION IN OCT 96
- PERCENTAGE RATE OF DECLINE REDUCES AS THE BASE DECREASES
- REVIEW OF CLOSEOUT ACTIONS ILLUSTRATES A POSITIVE DIRECTION TOWARDS OBJECTIVE



Right Efficiency Termination Actions

TOP DRIVERS OF OVERAGES

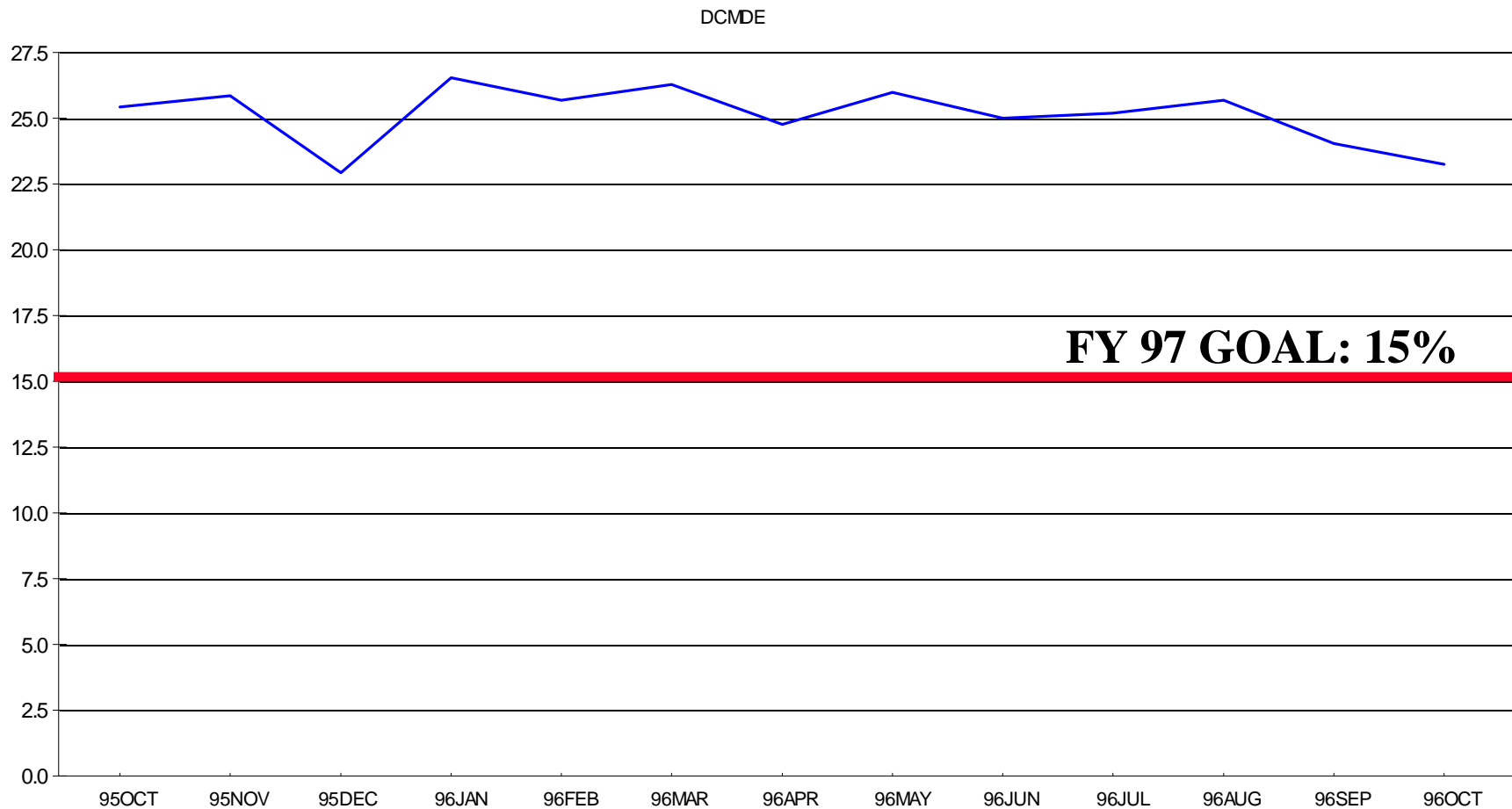
- **PROCESS DRIVERS :**
 - 1. LATE RECEIPT OF PROPOSAL**
 - 2. AWAITING ASBCA/COURT RULING/UD**
 - 3. PLANT CLEARANCE**
 - 4. AWAITING FUNDING**
 - 5. PROTRACTED NEGOTIATIONS**
 - 6. AWAITING DCAA AUDITS**

DCMDE

Right Efficiency

TERMINATION ACTIONS

% OF DOCKETS OVERAGE



**Right Efficiency
Termination Actions
(Percent of Dockets Overage)**

STATUS:**YELLOW****FY97 Goal: <15%**

- o 5 of 6 TSOs >15% goal established for FY97
- o District began FY96 at 25%; Beginning FY97 at 23%
- o Performance:

Springfield (16 of 33) 48%

Began FY96 @ (22 of 44) 50%

Boston (75 of 265) 28%

Began FY96 @ (85 of 285) 30%

Atlanta (61 of 245) 25%

Began FY96 @ (72 of 301) 24%

Cleveland (41 of 175) 23%

Began FY96 @ (49 of 120) 41%

New York (61 of 297) 21%

Began FY96 @ (118 of 219) 54%

Philadelphia (19 of 144) 13%

*2nd month under 15%

Began FY96 @ (35 of 102) 34%

Right Efficiency Termination Actions

| | Springfield | | Atlanta | Cleveland | New York | | |
|----------------------------------|-------------|----|---------|-----------|----------|---|-----|
| | 8 | | | 6 | | 2 | |
| Preparing to Negotiate | 1 | | | | 2 | | 3 |
| Neg. Complete Need Mod | | 1 | 5 | 2 | 9 | | |
| Sub Ktr Settlement Required | | 7 | | 6 | 3 | 2 | |
| Need Support on Revised Prop. | 3 | | | 3 | 4 | | |
| Need Inv. Sched. or Plant Clear. | 4 | 6 | 7 | 6 | 5 | 3 | |
| | | | 7 | 1 | 9 | | |
| In Litigation | | | 4 | 1 | 1 | | 6 |
| Unilateral Issued | | | | 3 | 1 | 1 | 5 |
| Awaiting Claim | | | | 1 | | | 1 |
| Demand Sent | | | | 1 | | | 1 |
| | | | | 1 | | | 1 |
| Under Investigation | | | | 4 | | 1 | 5 |
| | | | 2 | 5 | | | 7 |
| PCO | | | | 1 | | 1 | 2 |
| | | 3 | | | | | |
| Legal | | 13 | | | | | 13 |
| Awaiting DCAA O/Hs | | 8 | | | | | 8 |
| ASBCA | | | | | | 9 | 9 |
| | | | | | | | 273 |

**Right Efficiency
Termination Actions
(Percent of Dockets Overage)**

STATUS:  **YELLOW**

FY97 Goal: <15%

Comments (continued):

o Root Cause

- Protracted negotiations
- Declining base masks improved performance
- Overall 25% reduction in FY96 Base and 33% reduction in number overage. Only 3% reduction to overage percent

Action Taken:

- o TSOs continue to target specific dockets for settlement
- o District challenge to TSOs to meet forecasted closeouts

Business Plan Reference: Task 1.3.1.2

**Right Efficiency
Termination Actions
(Percent of Dockets Overage)**

STATUS:**YELLOW****FY97 Goal: <15%**

Comments (continued):

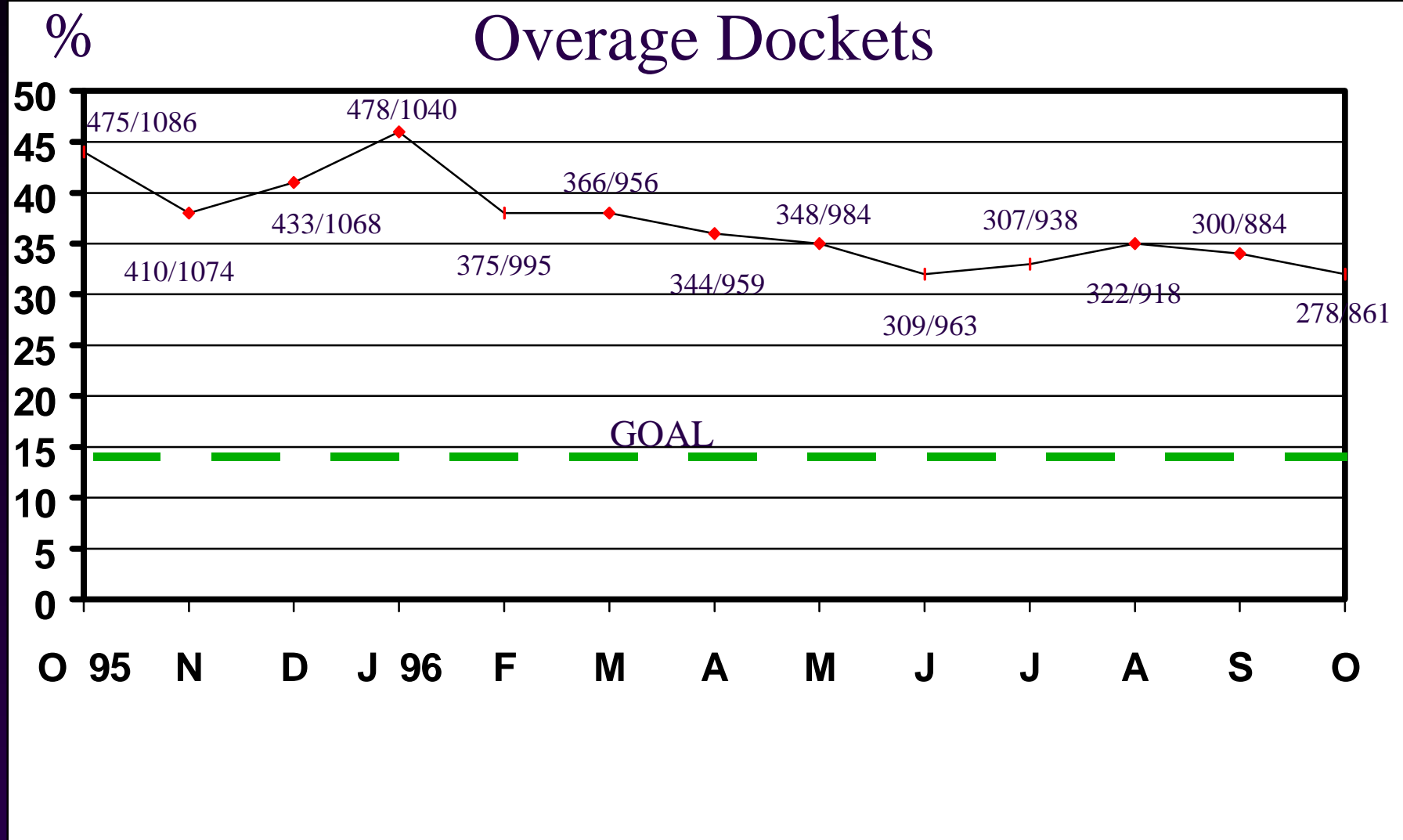
Action Required:

- o Continued emphasis on contractor response time
- o Validate customer priority T/C cycle time vs. overage
 - ooMetrics Development guide Book process led to recommendation for revised metric - T/C cycle time proposed vs. overage
 - ooProposal with customers for validation

Get Well: District Status Green - March 30, 1997

Business Plan Reference: Task 1.3.1.2

Right Efficiency



Right Efficiency

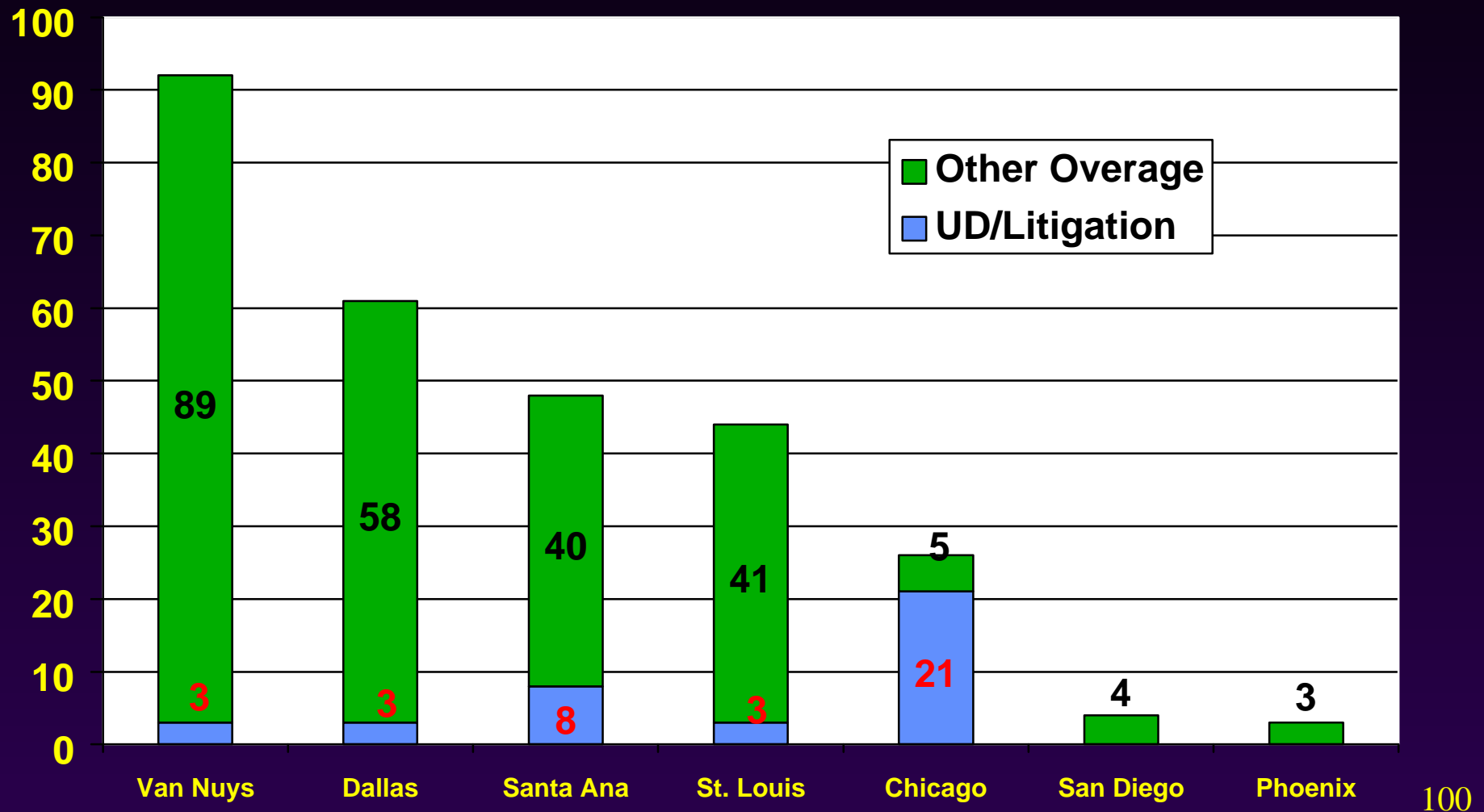
Termination Actions

Status: Yellow

Comments:

- Performance is measured by dockets overage/total dockets
- Goal: less than 15% - Oct measurement is 32%
- Termination Process Team met in Boston 16-17 Oct 96 and recommended a new performance metric; “Reduce Termination Process Cycle Time”. HQ DCMC is currently reviewing recommendation.

Right Efficiency Termination Actions



Termination Actions

- DCMC Van Nuys - 92 Overage Dockets
 - Problems:
 - Late receipt of proposals
 - TRW DOJ Investigation
 - Corrective Actions:
 - TCOs using teaming with major contractors (TRW & Hughes) to burn down large number of overage dockets
 - DCMDW Process Champion to provide on site assistance to Team Leader & TCOs to resolve large number of overage dockets Dec & Jan.
 - Get Well Date:
 - January 1998
- DCMC Dallas - 61 Overage Dockets
 - Problems:
 - Plant Clearance Delays
 - Protracted Negotiations
 - Corrective Actions:
 - Increased use of Teaming to resolve issues.
 - Get Well Date:
 - April 1997

Termination Actions (continued)

- DCMC Santa Ana - 48 Overage Dockets
 - Problem:
 - Request for additional funds
 - Corrective Actions:
 - Additional funds expected within 60 days to resolve 15 of 48 dockets (Rockwell B-1B)
 - Get Well Date:
 - September 1997
- DCMC St. Louis - 44 Overage Dockets
 - Problem:
 - Late receipt of proposals
 - Corrective Actions:
 - Closer coordination with pacing contractor (McDonnell-Douglas) to obtain timely proposals
 - Get Well Date:
 - May 1998

Termination Actions

Burn Down Plan

| | | 11/96 | 12/96 | 1/97 | 2/97 | 3/97 | 4/97 | 5/97 | 6/97 | 7/97 | 8/97 | 9/97 | 10/97 | 11/97 | 12/97 | End Burn Down |
|------------------------------|-----|-------|-------|------|------|------|------|------|------|------|------|------|-------|-------|-------|---------------|
| DCMC Van Nuys | * | 108 | 98 | 84 | 75 | 74 | 68 | 58 | 41 | 36 | 30 | 23 | 21 | 13 | 6 | Jun-98 |
| (O/H 276 Overage: 92 - 33%) | | | | | | | | | | | | | | | | |
| DCMC DALLAS | | 58 | 53 | 41 | 27 | 13 | 10 | 7 | 4 | | | | | | | |
| (O/H: 137 Overage: 61 - 45%) | | | | | | | | | | | | | | | | |
| DCMC Santa Ana | ** | 50 | 44 | 47 | 45 | 47 | 46 | 44 | 42 | 40 | 40 | 32 | | | | |
| (O/H: 127 Overage: 48 - 28%) | | | | | | | | | | | | | | | | |
| DCMC St. Louis | | 37 | 34 | 33 | 30 | 28 | 27 | 25 | 23 | 21 | 19 | 17 | 15 | 13 | 11 | May-98 |
| (O/H 159 Overage: 44 - 28%) | | | | | | | | | | | | | | | | |
| DCMC Chicago | *** | 25 | 25 | 24 | 23 | | | | | | | | | | | |
| (O/H: 120 Overage: 26 - 22%) | | | | | | | | | | | | | | | | |
| DCMC San Diego | | 4 | 3 | 3 | 3 | 2 | 2 | 2 | 0 | | | | | | | |
| (O/H: 17 Overage: 4 - 24%) | | | | | | | | | | | | | | | | |
| DCMC Phoenix | | 3 | 0 | 2 | 1 | 0 | | | | | | | | | | |
| (O/H 25 Overage: 3 - 12%) | | | | | | | | | | | | | | | | |

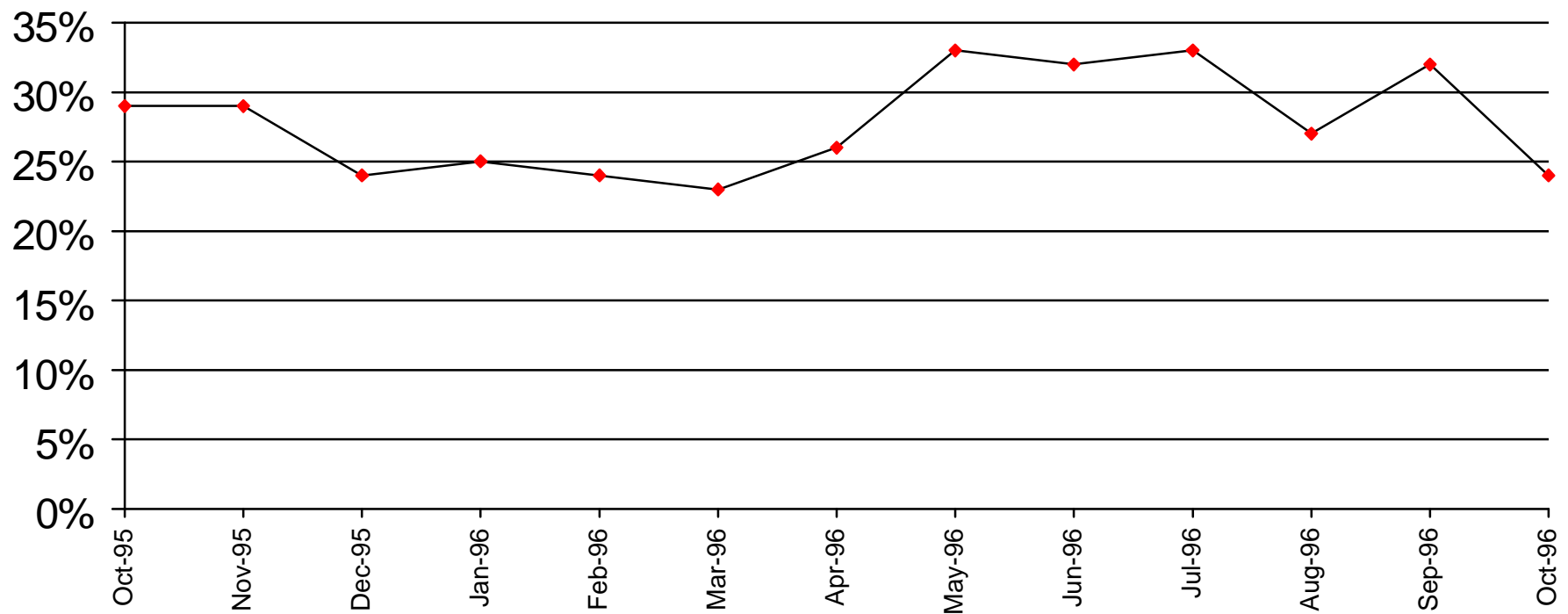
- * Have not incorporated anticipated overage dockets. Working with TSO to refine plan.
- ** 15 dockets will close when Funding is Revived; Rockwell B-1B.
- *** 21 dockets in Litigation - no forecast completion date possible.



DCMDI Right “Efficiency”

Termination Actions

(Dockets Overage / Total Dockets)





DCMDI Right “Efficiency” Termination Actions

Status: Yellow

Comments: (Goal is 15%)

DCMC N. Europe: 5 dockets closed in Oct 96

Function assigned to new hire

DCMC S. Europe: 1 docket closed

5 dockets awaiting settlement



Right Efficiency

Contractors with C/SCSC Joint Agreements

| <i>Process Drivers</i> | <i>Relative Impact on Top Level Metric</i> | <i>Relative Degree of Influence/Control</i> |
|--|--|---|
| Contractors with C/S Requirements | 3 | 3 |
| Contractors with Joint Agreements | 10 | 10 |

96-1.1.1 (14)

97-1.2.3.5



Right Talent

Training Hours Per Employee per Year As Compared to Industry Benchmark

Process Drivers

*Relative Impact on
Top Level Metric*

*Relative Degree of
Influence/Control*

Budget Constraints

Faulty Identification in IDPs

Timely Class - Information

Incorrect PLAS Reporting

Processing Data



Right Talent

DAWIA Certification Percentage

Number of employees certified/Total # of employees requiring DAWIA certification

Process Drivers

*Relative Impact on
Top Level Metric*

*Relative Degree of
Influence/Control*

Availability of Classes

Lack of Required Education

Lack of Required Experience

**IDP Shows Incorrect Priority
Rating**

**Employee/supervisor Do Not
Understand Requirements for
Certification**

Processing Data



Right Talent

IDP Courses Completed Percentage

Total # of courses Completed / Total # of courses listed in the IDP

Process Drivers

*Relative Impact on
Top Level Metric*

*Relative Degree of
Influence/Control*

**Knowledge of Required Courses When
Developing IDP**

**Availability/cancellation of Projected
Requirements**

**Supervisor Could Not Release
Employee for Training Due to
Workload**

**Employee Declines Due to Personal
Reasons**

Funding Constraints

Processing Data



Right Talent

DAU Quotas Usage Percentage

Number of employees graduated / Number of spaces originally allocated

Process Drivers

*Relative Impact on
Top Level Metric*

*Relative Degree of
Influence/Control*

**Not Enough Quotas Received to Meet
Need**

**Faulty Identification of Course
Requirements on IDP**

**Employee Not Notified Well in
Advance for Planning Purposes**

**Supervisor Could Not Release
Employee Because of Work Load**

**Employee Declines Due to Personal
Reasons**

Processing Data



Performance Improvement

| 1997 Business Plan - Performance Goals | DCMC | East | West | Int'l |
|---|-------------|-------------|-------------|--------------|
| • (1.1.1) Continually improve process to help customers craft better contracts and make better contractor selections (EARLY CAS) | Yellow | Green | Green | Green |
| • (1.2.1) Increase the percentage of items (source inspected) conforming to product specifications | Green | Yellow | G/Y/R | Green |
| • (1.2.2) Improve by 5% over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule | Yellow | NR | NR | NR |
| • (1.2.3) Increase overall DCMC ROI by 10% over the FY 96 baseline | Green | Green | Green | Green |
| • (1.3.1) Continually improve all facets of the contract close-out process (Targets=Less than 5%/20% overage contracts for those with/without canceling funds respectively) | Green | Yellow | Yellow | Yellow |
| • (2.1.1) Incrementally expand JLC Acquisition Pollution Prevention Initiative to additional contractor sites | Green | Green | G/Y/R | NA |
| • (2.1.2) Establish, maintain, and improve dynamic surveillance process that senses and satisfies customer needs (DELIVERY DELINQUENCIES) | Yellow | Yellow | G/Y/R | NA |
| • (2.1.3) Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st century | Green | NA | NA | NA |
| • (2.1.4) Improve the effectiveness and efficiency of all our communication efforts (INTRA-DCMC COMMUNICATIONS) | Green | Green | G/Y/R | Green |
| • (2.1.5) Continually improve/enhance organization & processes that deliver quality products/services (INTERNAL PROCESS STANDARDIZATION) | Green | Green | G/Y/R | Green |



Performance Improvement (Con't)

| 1997 Business Plan - Performance Goals | DCMC | East | West | Int'l |
|--|-------------|-------------|-------------|--------------|
| • (2.1.6) Support info technology initiatives by deploying 90% of projects selected in the IRM plan on schedule (INFORMATION TECHNOLOGY INITIATIVES) | Green | Green | NA | Yellow |
| • (2.1.7) Develop/deploy small quantity of outcome-oriented performance measures which best portray performance of core processes (METRICS) | Yellow | Green | Green | Green |
| • (2.1.8) Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner (PACKAGING DCMC DATA) | Green | Green | G/Y/R | Green |
| • (2.2.1) Use the results of Performance Based Staffing Assessment to better structure and utilize the workforce | Green | Green | G/Y/R | Green |
| • (2.3.1) Improve mission and support processes by conducting management control reviews and annual USA; incorporate areas for improvement into planning process | Green | Green | Green | Green |
| • (2.3.2) Assess organizational performance through the accomplishment of 30 IOAs during FY 97 | Green | Green | NA | Green |
| • (2.3.3) Continue benchmarking projects that were started during FY 96 | Yellow | Green | G/Y/R | NA |
| • (2.3.4) Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations | Green | Green | Green | NA |
| • (2.3.5) Refine internal assessment (INTERNAL ASSESSMENT) | Green | NA | NA | NA |
| • (3.1.1) Reduce facilities costs - bring footage ² of office space into compliance w/ DLA standard - move offices from leased space into DoD space | Green | Green | Green | Red |
| • (3.1.2) Reduce number of high grade positions (14/15/SES) by 4% DCMC-wide | Green | Green | Green | Green |

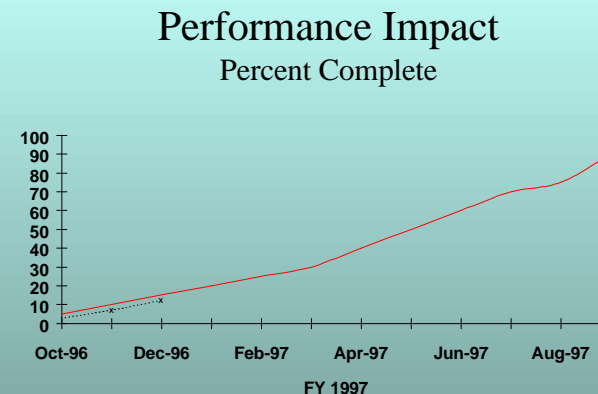
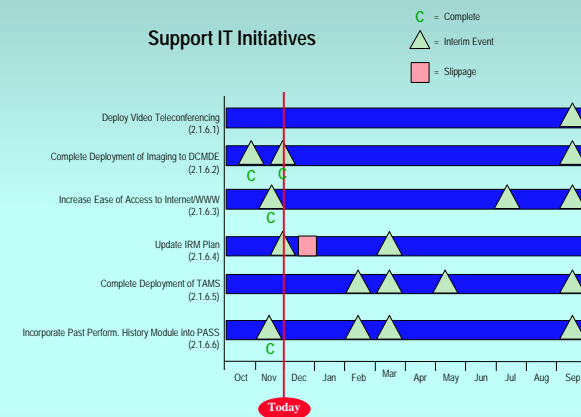


Performance Improvement (Con't)

| 1997 Business Plan - Performance Goals | DCMC | East | West | Int'l |
|---|-------------|-------------|-------------|--------------|
| • (3.1.3) Increase civilian supervisory ratio to 13:1 | Green | Green | Green | Green |
| • (3.1.4) Prepare for DBOF (DBOF CHALLENGE) | Green | NA | NA | NA |
| • (3.2.1) Develop and implement an integrated management system | Green | Green | NA | Green |
| • (3.3.1) Improve elements of the work environment that enhance employees' well being, satisfaction, and productivity | Green | Green | Green | Green |
| • (4.1.1) Maintain overall customer satisfaction level greater than 4.0 (1-6 scale) across ACAT PMs/PCOs and Commodity Managers/PCOs | Green | Green | Green | Green |
| • (4.1.2) Field activities continue to solicit customer satisfaction information via Trailer Cards | Green | Green | Green | Green |
| • (4.2.1) Increase FEDCAS reimbursable hours to 159,053 by close of FY 97 | Yellow | Green | Green | Green |
| • (5.1.1) Establish, maintain, and improve a strategic workforce development system that addresses current and future skills needed to satisfy customer requirements (WORKFORCE SKILLS) | Green | Green | Green | Green |
| • (5.2.1) Increase the percent of eligible organizations having partnership agreements and/or partnership councils | Green | Green | Green | Green |

2.1.6-Information Technology Initiative Challenge

- Dec. 13, 1996: Draft DCMC IRM plan delivered for review and comment. Completed 2nd MIL-STD-498 training. DCARRS/PLAS requirements workshop underway. Task 2.1.6.1 reporting Red -- No FY 97 funds for this effort. Task 2.1.6.4 reporting yellow - Draft plan delivered 2 weeks late. All others OK

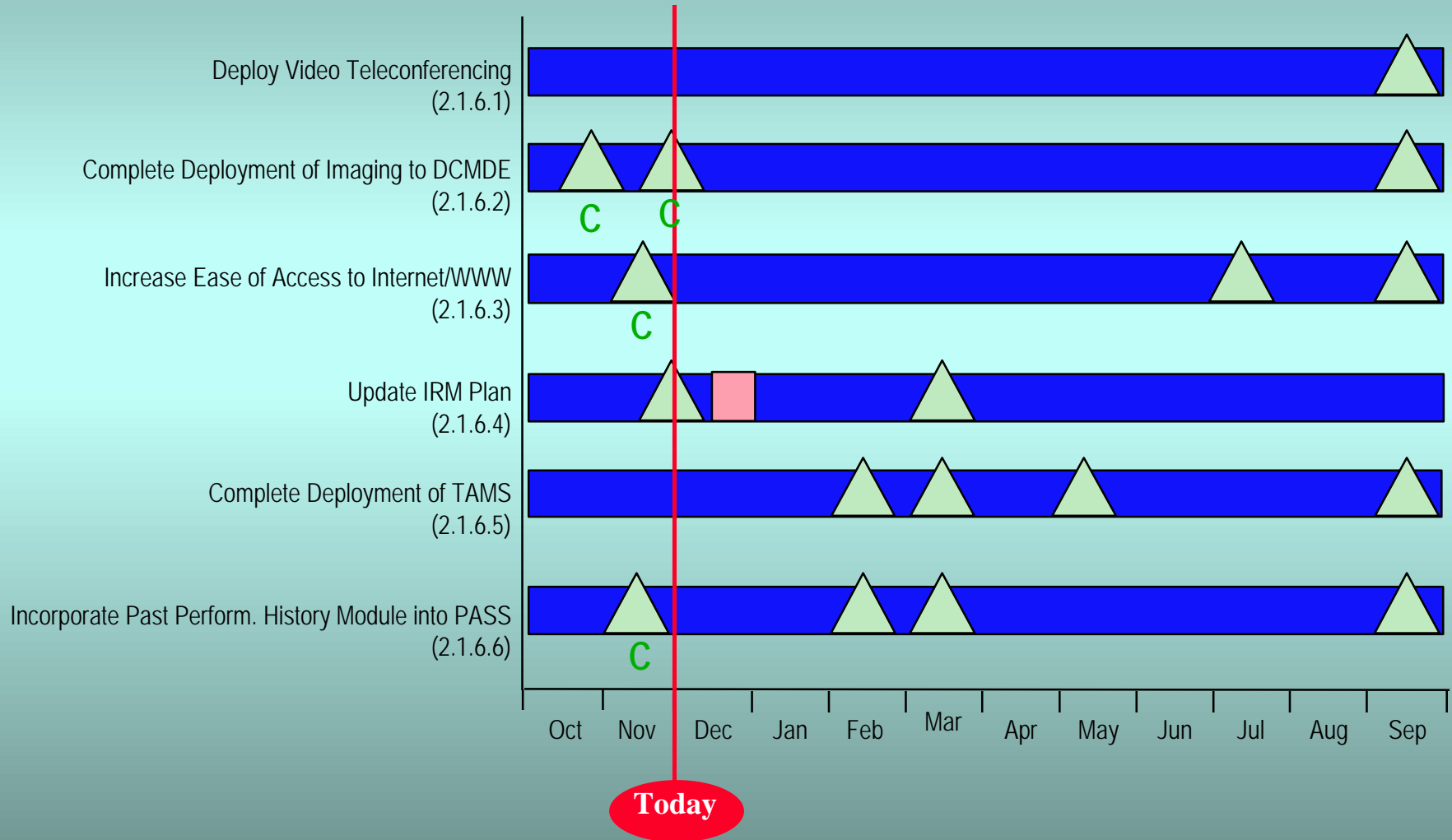


Support IT Initiatives

C = Complete

△ = Interim Event

■ = Slippage

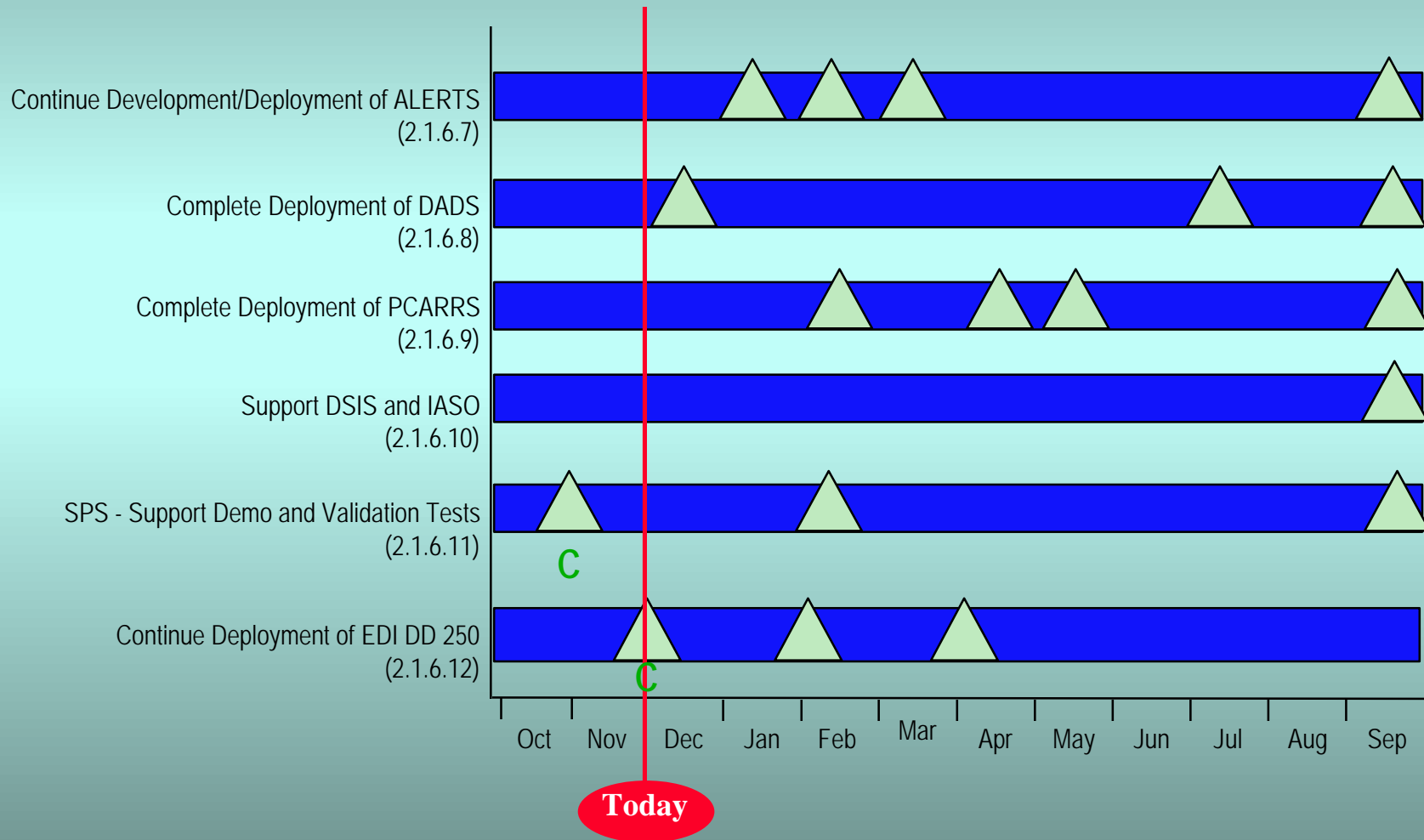


Support IT Initiatives

C = Complete

△ = Interim Event

□ = Slippage



- IMAGING

- ☒ 31 OCT 96: Environmental Test
- ☒ 15 NOV 96: DCMDE Deployment

- WWW

- ☒ 15 NOV 96: Netscape Deployed
- ☐ 31 JUL 97: Interactive Capability

- IRM Plan

- ☐ 30 NOV 96: Review
- ☐ 30 MAR 97: Distribution

- EC/EDI

- ☒ 30 NOV 96: Functional Test
- ☐ 30 JAN 97: Environmental Test
- ☐ 30 MAR 97: Initial Deployment

- PASS

- ☒ NOV 96: Functional Test
- ☐ FEB 97: Environmental Test
- ☐ MAR 97: Deployment

- ALERTS Phase I

- ☐ JAN 97: Functional Test
- ☐ FEB 97: Environmental Test
- ☐ MAR 97: Initial Deployment

- DADS

- ☐ DEC 96: ET for MIR
- ☐ JUL 97: ET Certification

- PCARSS

- ☐ FEB 97: Functional Test
- ☐ APR 97: Environmental Test
- ☐ MAY 97: Deployment

- DSIS/IASO

- ☐ Support as necessary

- SPS

- ☒ 21 OCT 96: Start DEM/VAL
- ☐ 1 FEB 97: Test Completion

- TAMS

- ☐ 5 FEB 97: Functional Test
- ☐ 20 MAR 97: Environmental Test
- ☐ 23 MAY 97: Deployment



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

Status: Yellow

| Project | # Field Activities | Sched Completion Date |
|------------------------------------|--------------------|-----------------------|
| Field Cmdrs Video teleconferencing | 5 | 30 Sep 97 |
| WWW Netscape Deployment | 5 | 30 Sep 97 |
| TAMS deployment | 5 | 30 Sep 97 |
| PASS deployment | 5 | 30 Sep 97 |
| ALERTS deployment | 5 | 30 Sep 97 |
| PCARSS deployment | 5 | 30 Sep 97 |
| DSIS/IASO | 5 | 30 Sep 97 |
| Standard Procurement System (SPS) | 5 | 30 Sep 97 |
| EDI DD 250 system deployment | 5 | 30 Sep 97 |

Business Plan Reference: 2.1.6



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

Status: Yellow

Comments:

- Only 72 % users have WWW access
- Telecom: Most sites are unreliable & too slow
- Mixed PLAS versions (6.1 to 7.0)
- SICM fielded but need roll-up
- No standard Applications (many variation)



Performance Goal 2.1.7

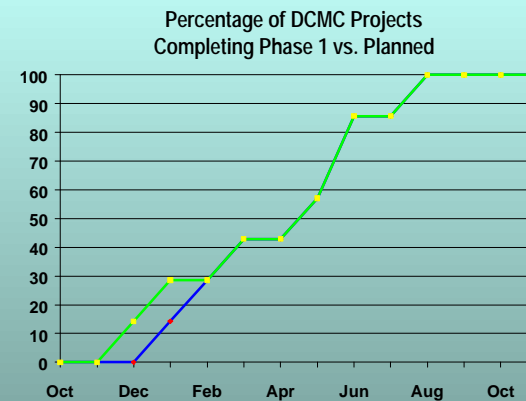
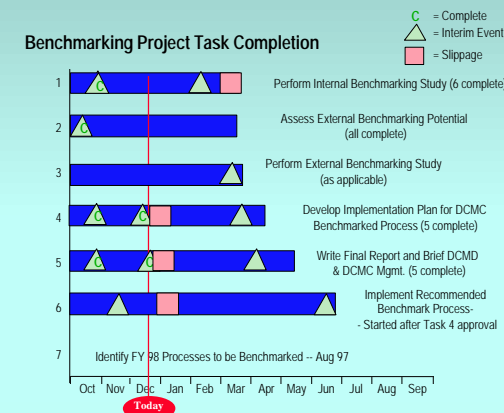
Metrics Challenge

Status: **Yellow**

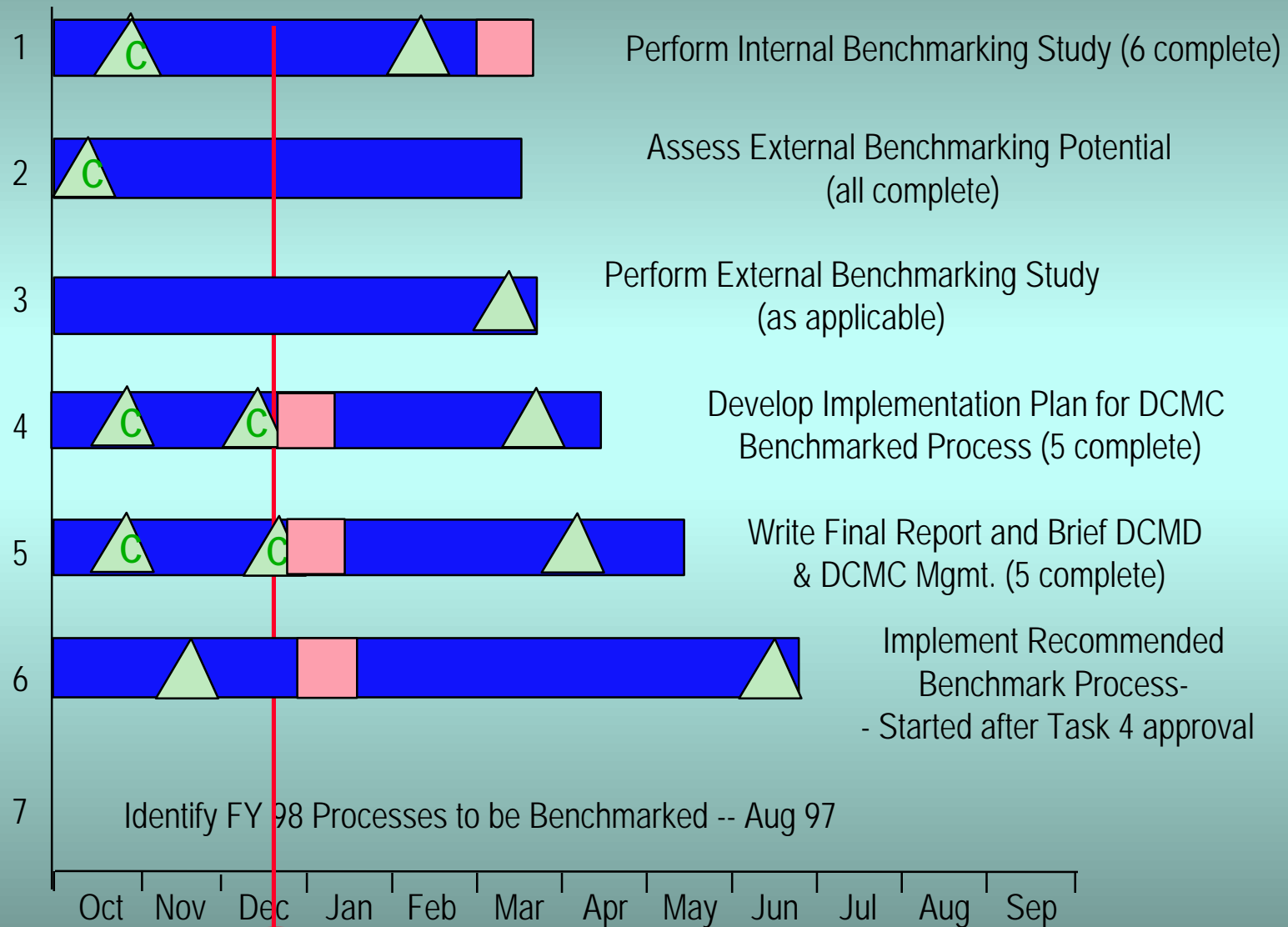
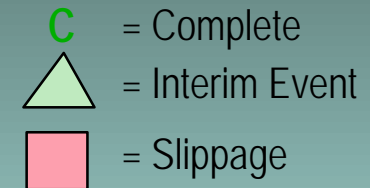
- Deployment of Increments 1 and 2 Delayed:
 - Increased Functional Requirements
 - Oracle patch, Proliant Disk Space, T-520 Installation
- Increments 1 and 2 Certified 11/8/96
 - Ready for Deployment:
PreAward Survey, Pricing & Negotiation, Forward Pricing, Overhead Negotiation, FEDCAS, Process Improvements, Flight Safety, Customer Support (Right Reception), Contingency CAS, MOCAS (Demographics, Contract Closeout, Progress Payments and Delinquencies), Early CAS (Right Advice), Trailer Cards, and SPI, Lab Testing (Right Item).

2.3.3-Continue Benchmarking Projects Started During FY 96.

- Status: 17 Dec update.
The Distributed Computing Team began its project at the end of August. The final project completion date has slipped to April 1997, but this is still within the expected goals for completion.



Benchmarking Project Task Completion



Today



Performance Goal 2.3.3

Continue Benchmarking Projects Started in FY 96

Status: Yellow (Tasks)

- 2.3.3.4 and 2.3.3.5 - Recommended implementation plan and project final report for P&MA Team has not been received. Final report expected 20 Dec 96.



Performance Goal 2.3.3

Continue Benchmarking Projects Started in FY 96

Status: Yellow (Tasks)

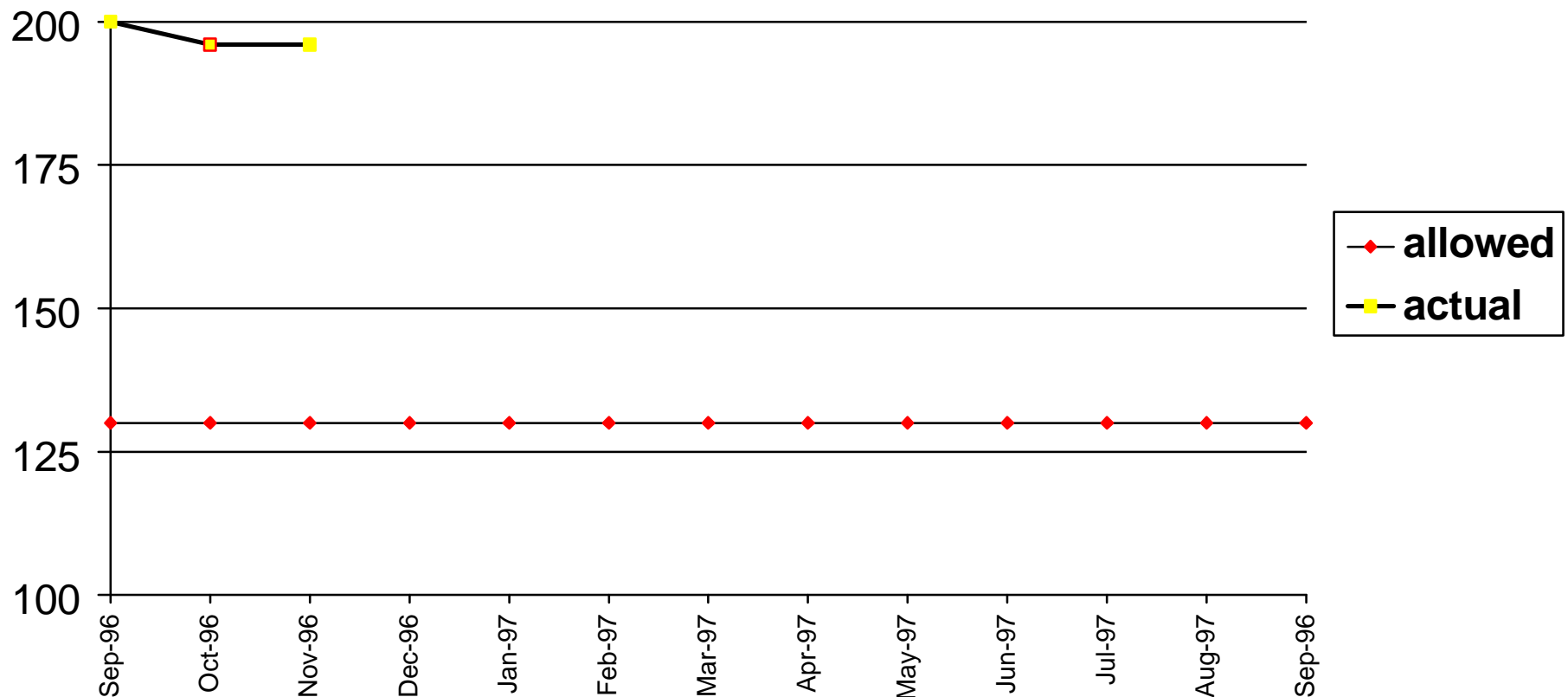
- 2.3.3.6 DCMC AQO Teams will write letter to field identifying project results, lessons learned, and best practices. Due 15 Nov 96.
 - 3 of 6 letters have been completed. Remainder are in various stages of completion.
 - Expected completion 10 Jan 96.



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

(Difference between total square feet allowed versus actual square footage)



Business Plan Reference: 3.1.1



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

Status: RED

Comments: (as of 30 Nov 96)



Total square footage for DCMDI is 134,615

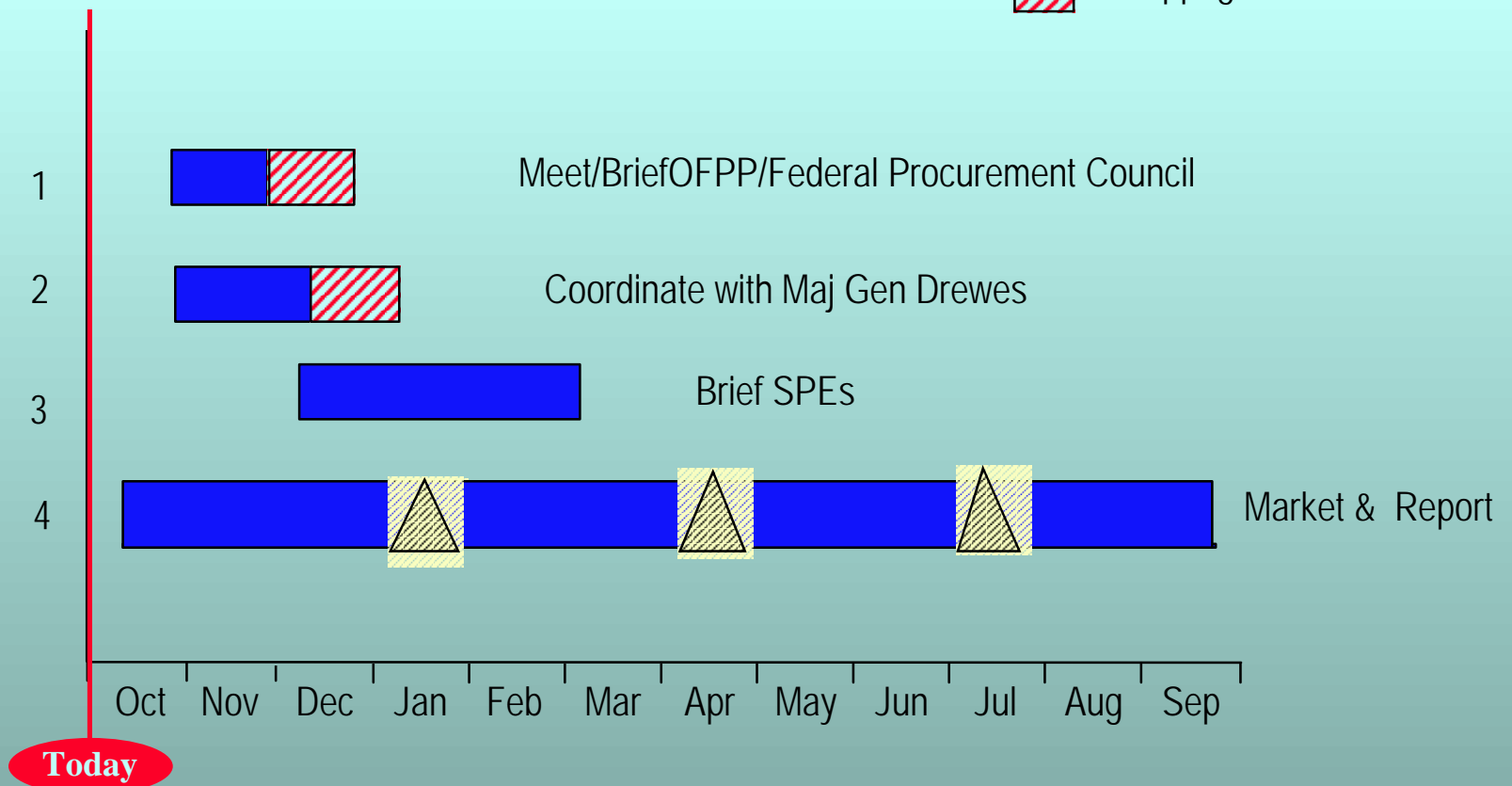
Includes 44 OCONUS offices and DCMDI at Ft. Belvoir.

Of the 44 OCONUS offices 8 are commercial leased, 1 is GSA leased, and 1 is provided by Embassy.

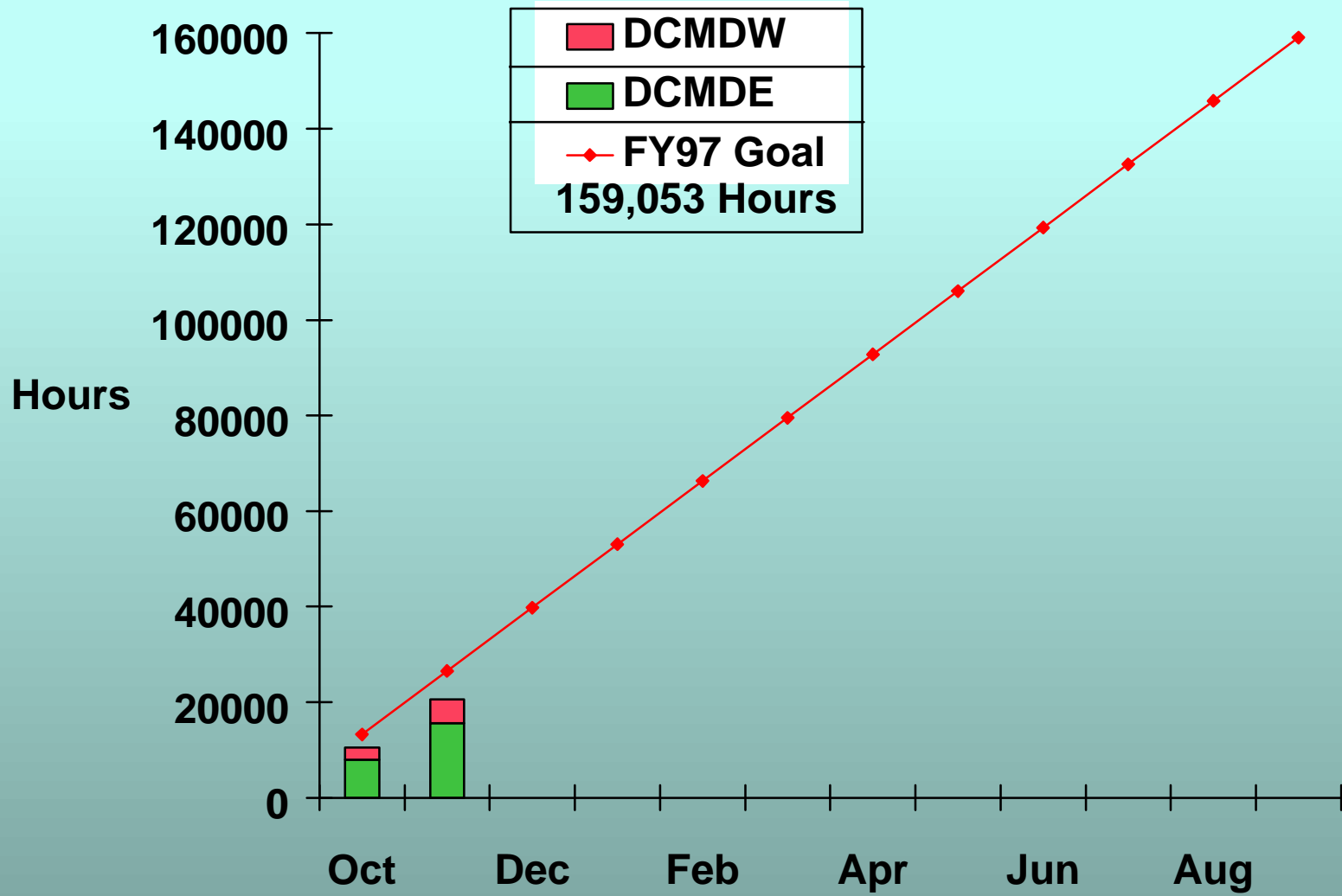
Remaining 34 offices are Contractor furnished, DoD vacant space, and/or furnished by the Host Country.

FEDCAS

- C** = Complete
-  = Interim Event
-  = Slippage



FEDCAS





Performance Goal 4.2.1

Increase FEDCAS Hours

Status: Yellow

- Briefing to OFPP/FPC Slipped 1 Month
- Monthly Progress Towards FY 97 Goal is Below Target

PARTNERSHIP OPPORTUNITIES

5.2.1

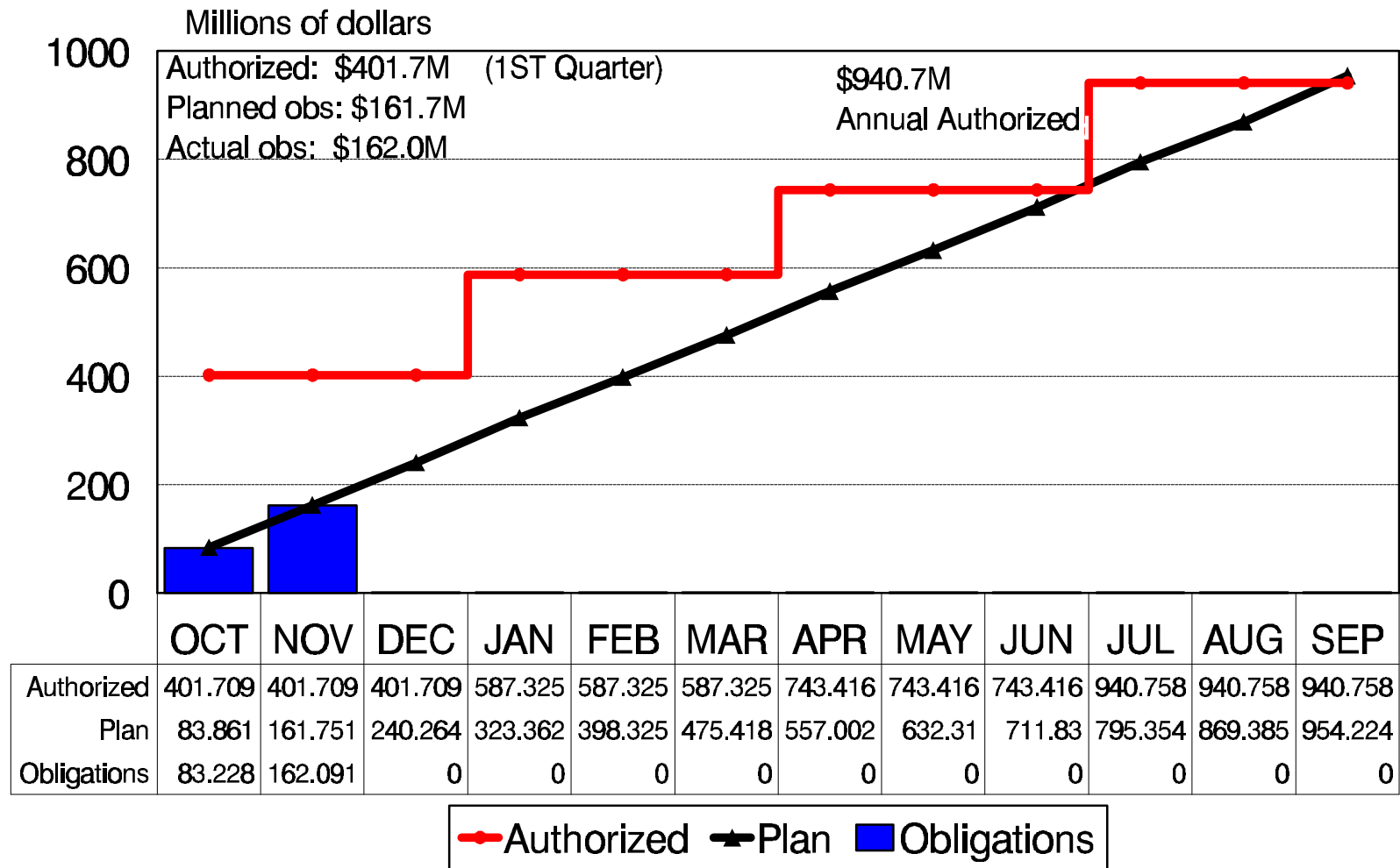
- October MMR Action was to develop a Metric to quantify Partnership Opportunities
- November VTC with District Reps established the mechanisms to track Partnership Opportunities
- December LMR training for Headquarters.
- February MMR will brief data, including:
 - Invitation to Meetings and Conferences
 - Number of Documents reviewed
 - Number of Courtesy Copies provided
 - Other



Resource Management

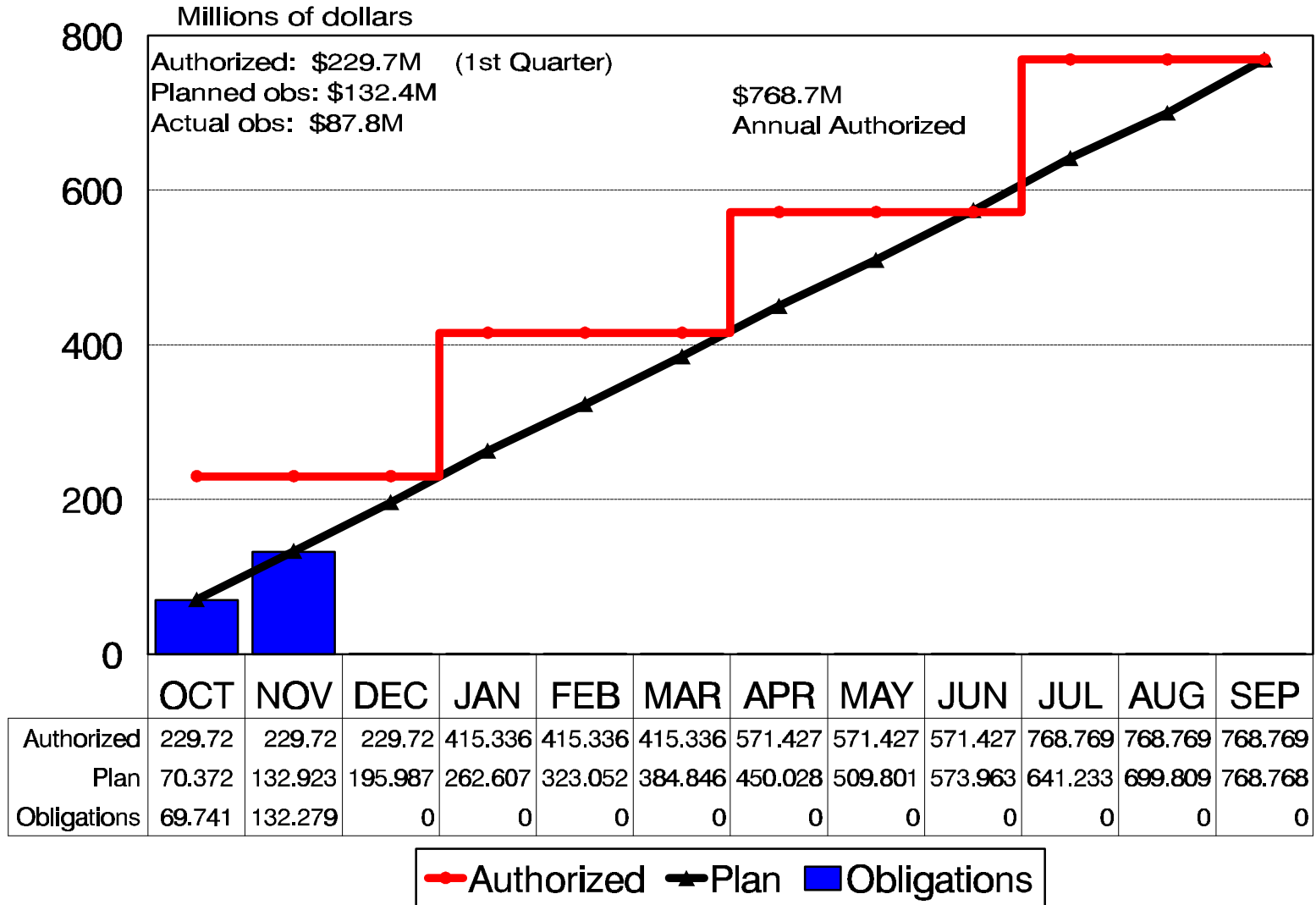
| Business Performance Metric | DCMC | East | West | Int'l |
|------------------------------------|-------------|-------------|-------------|--------------|
| • Budget Execution | | | | |
| • Total | Yellow | Green | Green | Red |
| • Direct | Yellow | Green | Green | Red |
| • Reimbursable | Yellow | Green | Green | Red |
| • Manpower | | | | |
| • Total (FTE Execution) | Red | Yellow | Red | Red |

DCMC FY 97 Total Execution



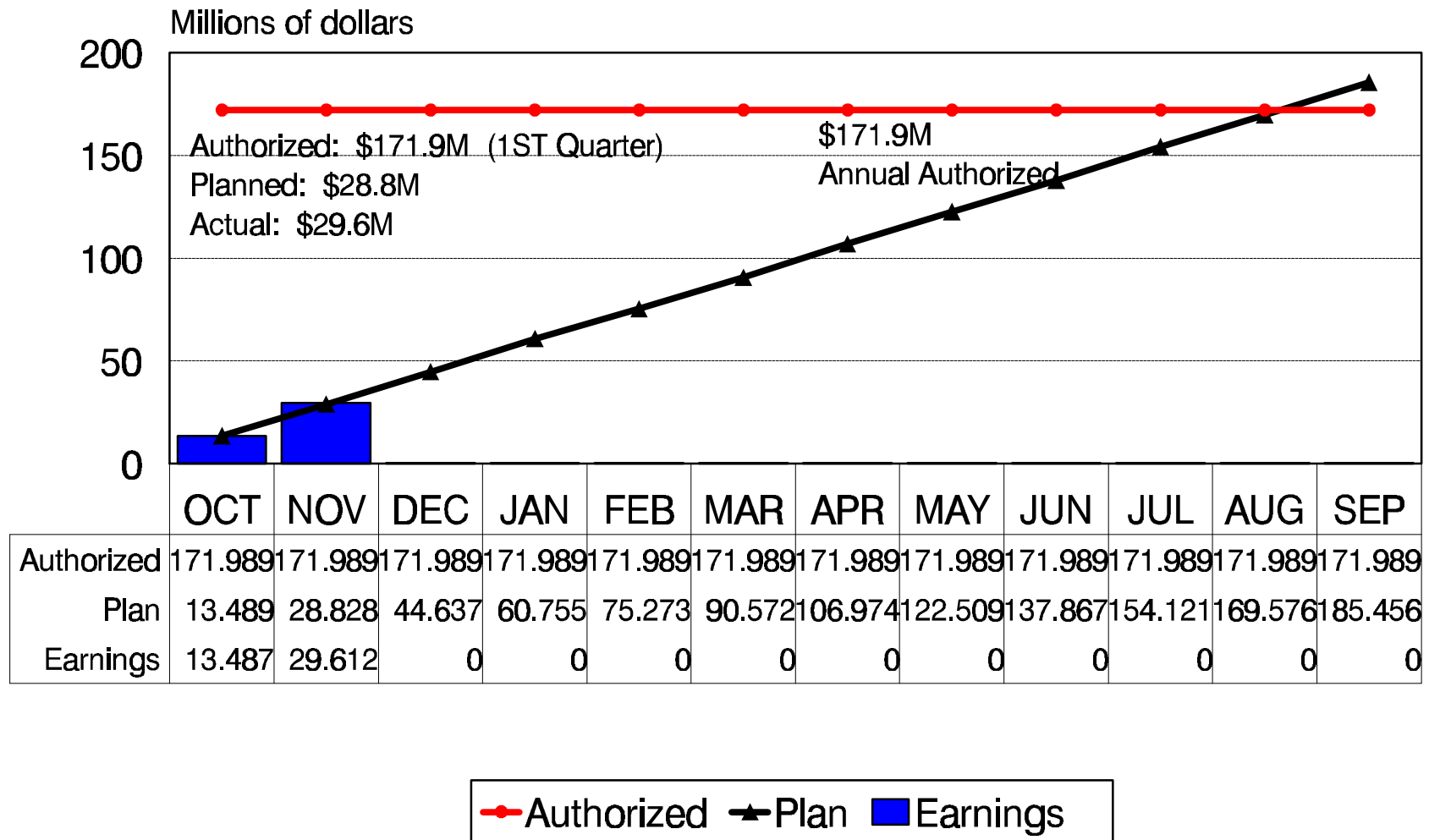
Obligations/plan: 100%

DCMC FY 97 Direct Execution



Obligations/plan: 99%

DCMC FY 97 Reimbursable Execution



Earnings/plan: 103%



FY 97 Budget Execution

DCMC Summary (As of 17 Dec)

Status: **YELLOW**

- Comments:
 - Reserve will not cover additional requirements identified by Districts
 - Complete responses from Districts regarding impact of FY 97 reductions and tradeoffs (by Business Plan goal and object class) due 6 Dec - partially received
 - Potential labor shortfall based upon AAR methodology identified by DCMDE/DCMDW if FTEs fully executed
 - Until decisions are made on additional requirements identified by Districts, Monthly Obligation Plans (MOPs) may not be realistic



FY 97 Budget Execution

DCMC Summary (As of 17 Dec)

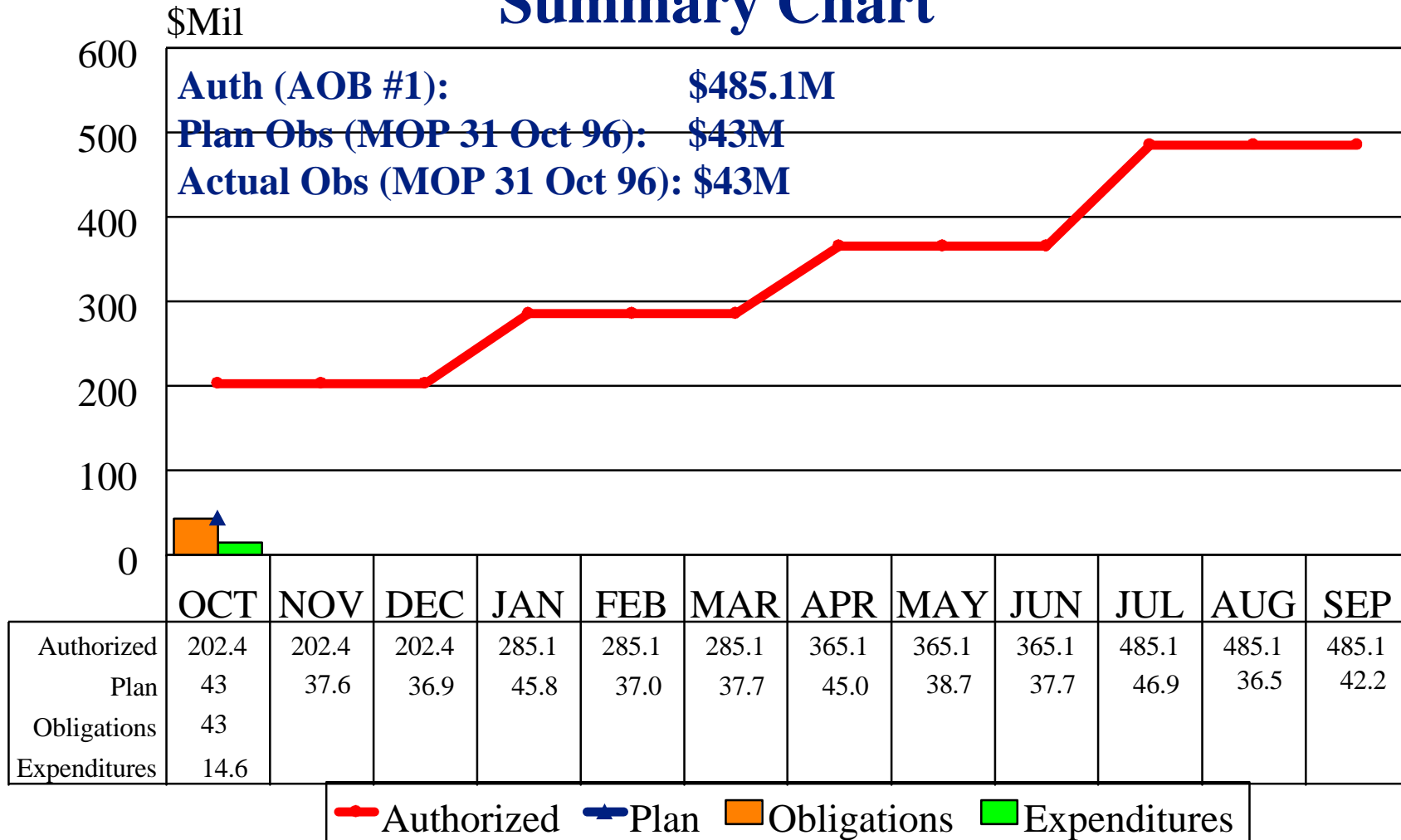
Continued

- Corrective Action:
 - Actuals contained in Monthly Obligation Plans (MOPs) will be closely monitored during BPT/RUC/MMR reviews
 - Input from Districts regarding impact of FY 97 reductions and tradeoffs will be evaluated
 - BPT will develop proposed reprogramming recommendations and funding trade-offs on 6-7 Jan
 - Recommendations will be presented to RUC in Jan
 - Budget Process Review Team corrective action plan will be implemented by 31 Dec 96

FY97 DCMDE Execution

a/o 31 October 96

Summary Chart

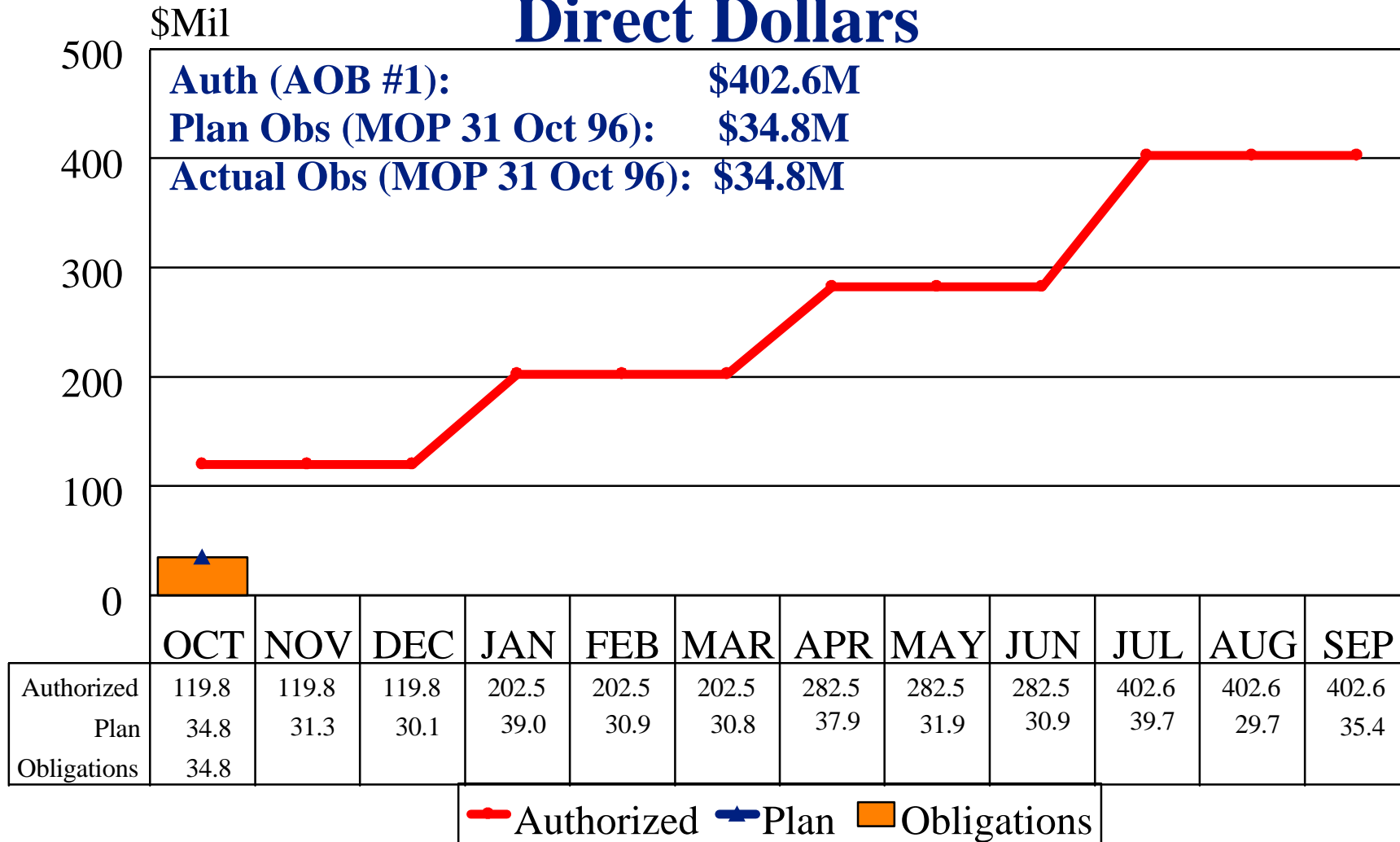


Obligations/Plan: 100%

FY97 DCMDE Execution

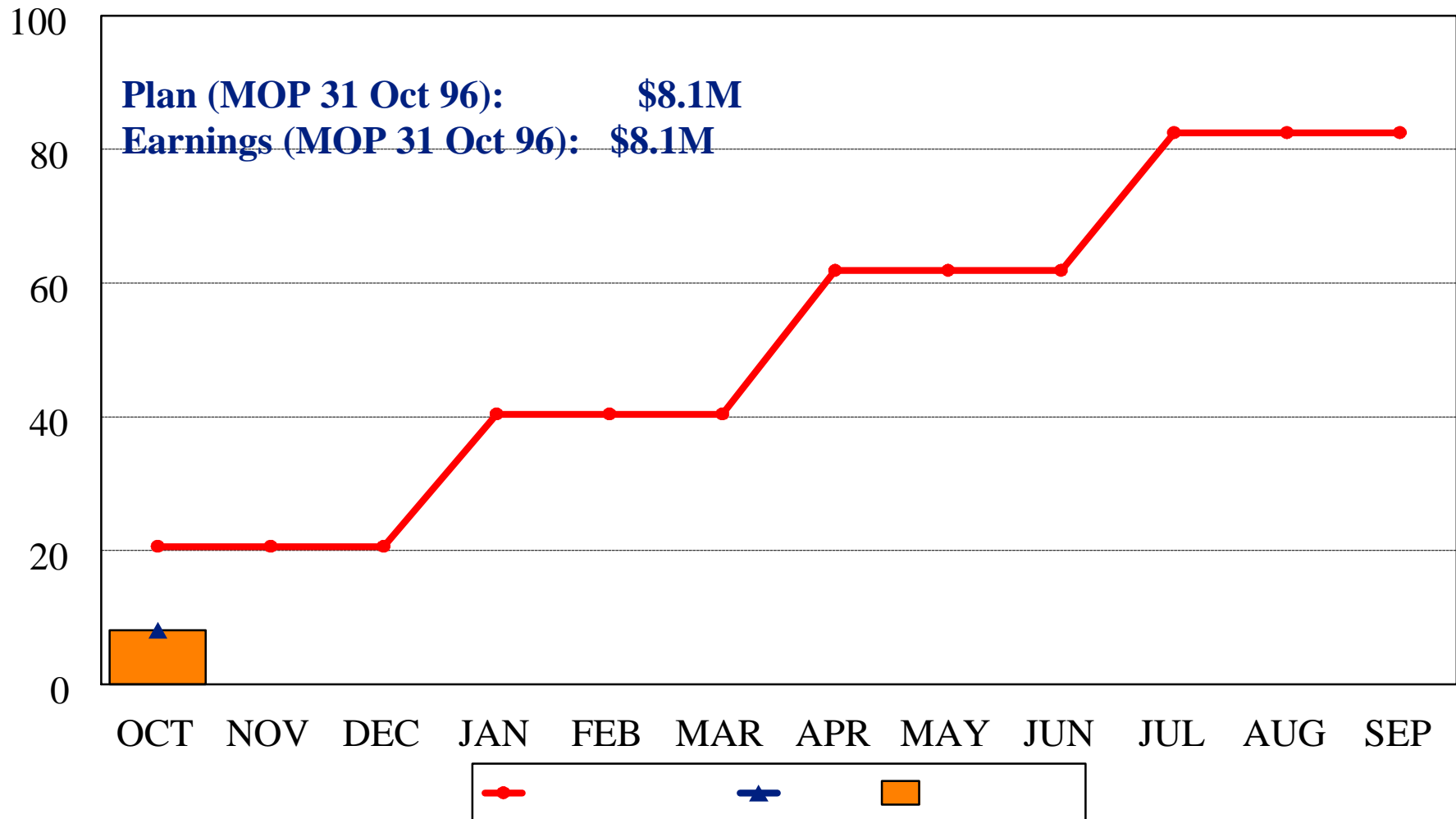
a/o 31 October 96

Direct Dollars



Obligations/Plan: 100%

a/o 31 October 96 Reimbursables

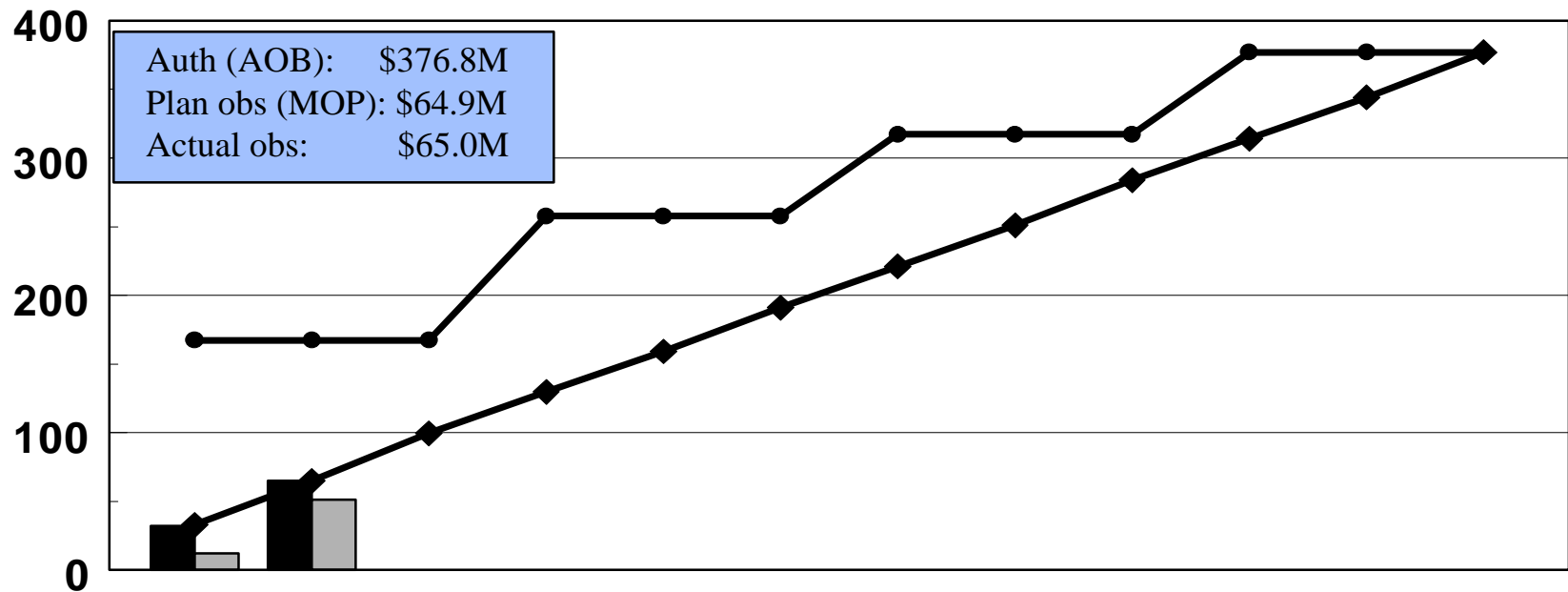


Earnings/plan: 100%

DCMDW

FY97 DCMDW Total Execution

Millions of Dollars



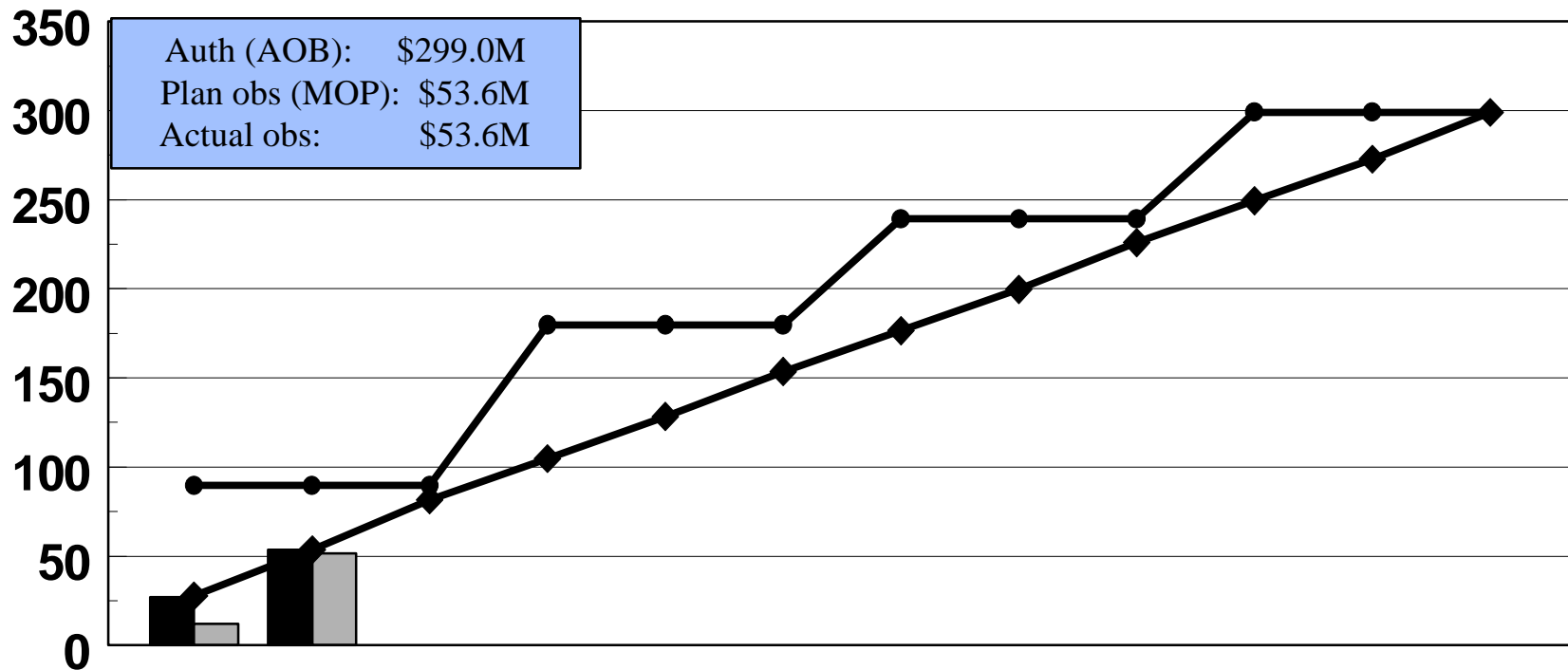
| | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Auth | 167.416 | 167.416 | 167.416 | 257.581 | 257.581 | 257.581 | 317.139 | 317.139 | 317.139 | 376.844 | 376.844 | 376.844 |
| Plan | 33.020 | 64.874 | 99.517 | 129.667 | 159.197 | 190.995 | 221.124 | 250.970 | 283.862 | 314.165 | 344.102 | 376.844 |
| Oblig | 32.393 | 64.962 | | | | | | | | | | |
| Expen | 12.011 | 51.419 | | | | | | | | | | |

Obligations/plan: 17.2%

DCMDW

FY97 DCMDW Direct Execution

Millions of Dollars

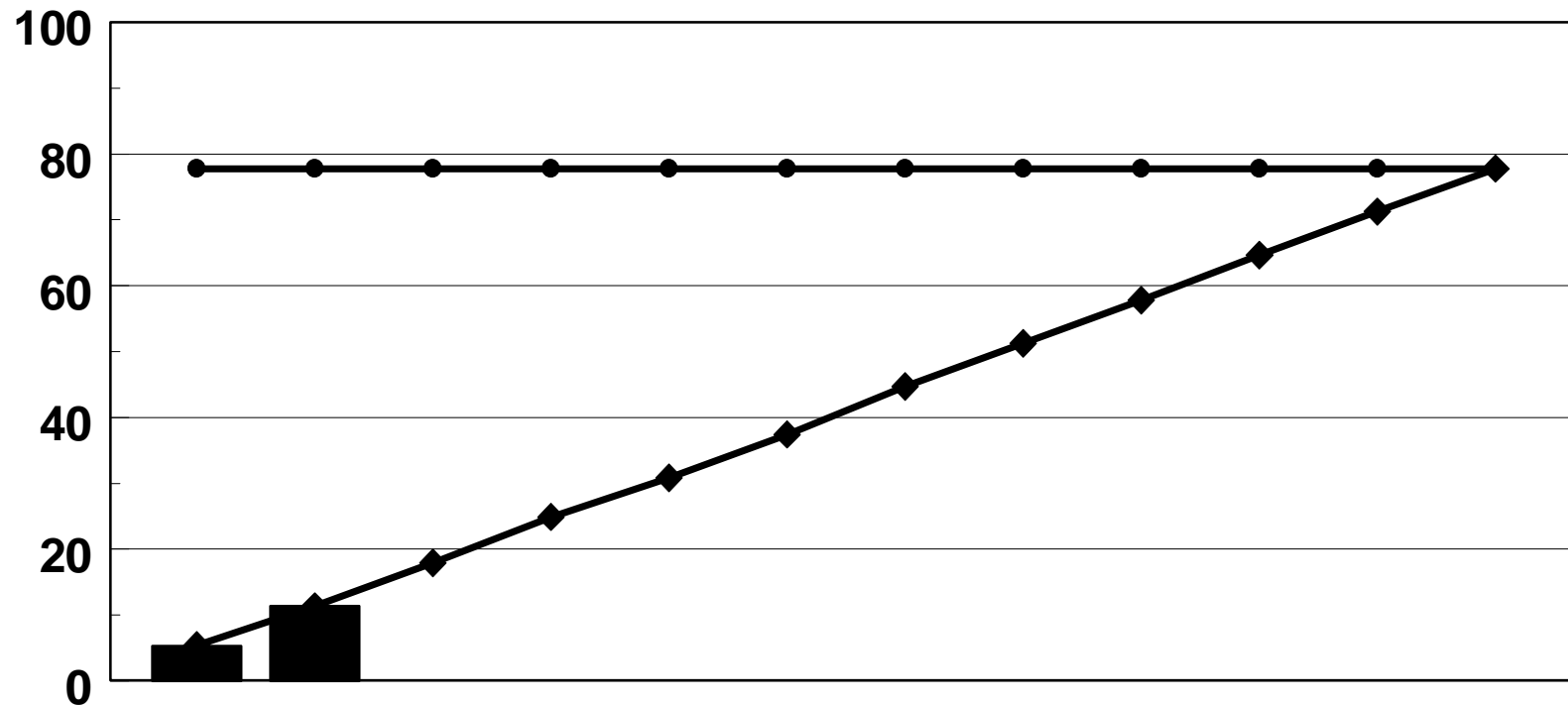


Obligations/plan: 17.9%

DCMDW

FY97 DCMDW Reimbursable Execution

Millions of Dollars

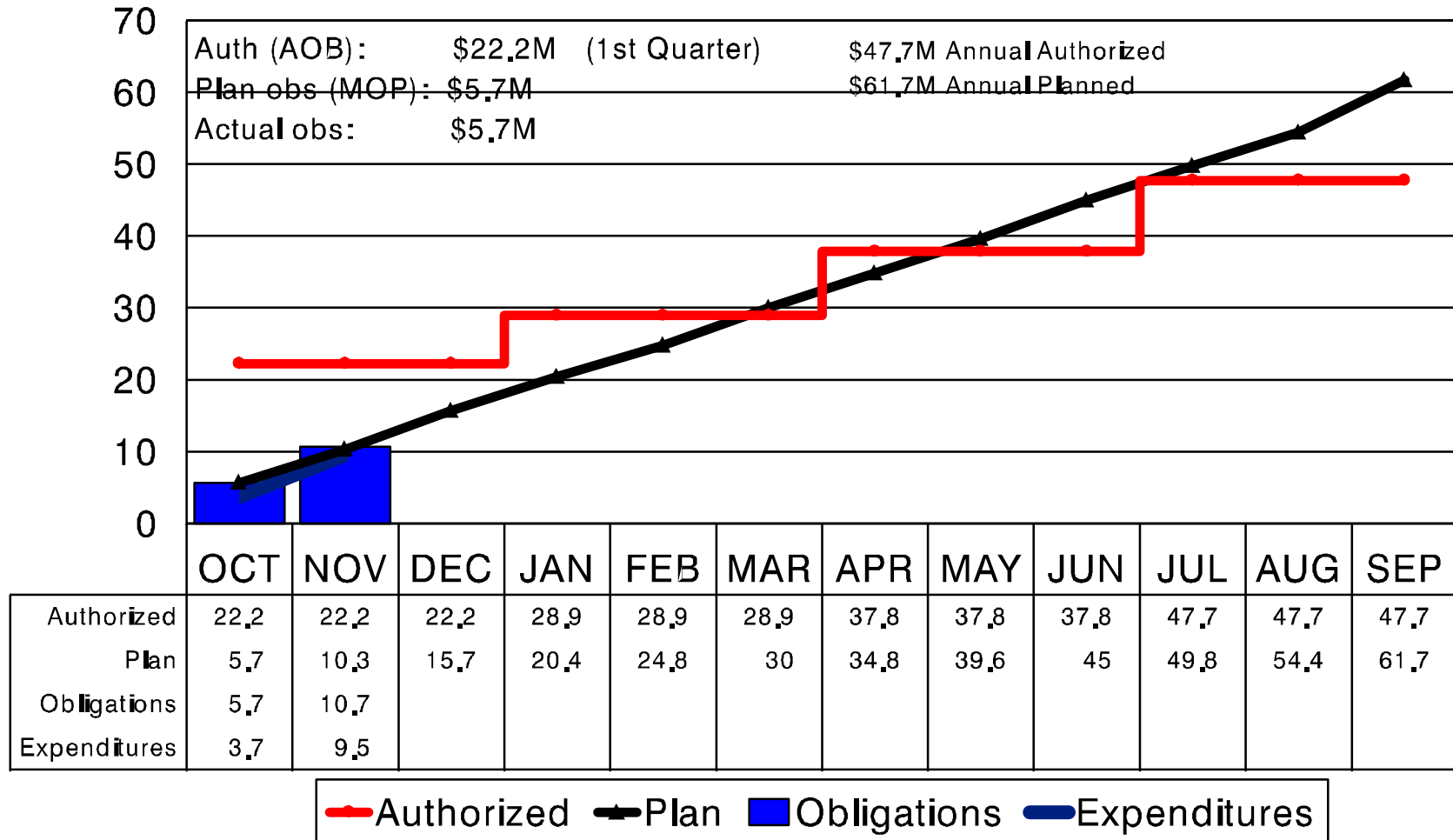


| | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Auth | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 | 77.817 |
| Plan | 5.347 | 11.302 | 17.868 | 24.889 | 30.845 | 37.410 | 44.685 | 51.251 | 57.818 | 64.689 | 71.256 | 77.817 |
| Earning | 5.347 | 11.385 | | | | | | | | | | |

DCMDI Resource Management

FY 97 Total Execution

Millions of dollars



Obligations/plan \$104%



DCMDI Resource Management

FY 97 Total Execution

Status: **RED**

Comments: (as of 30 Nov 96)

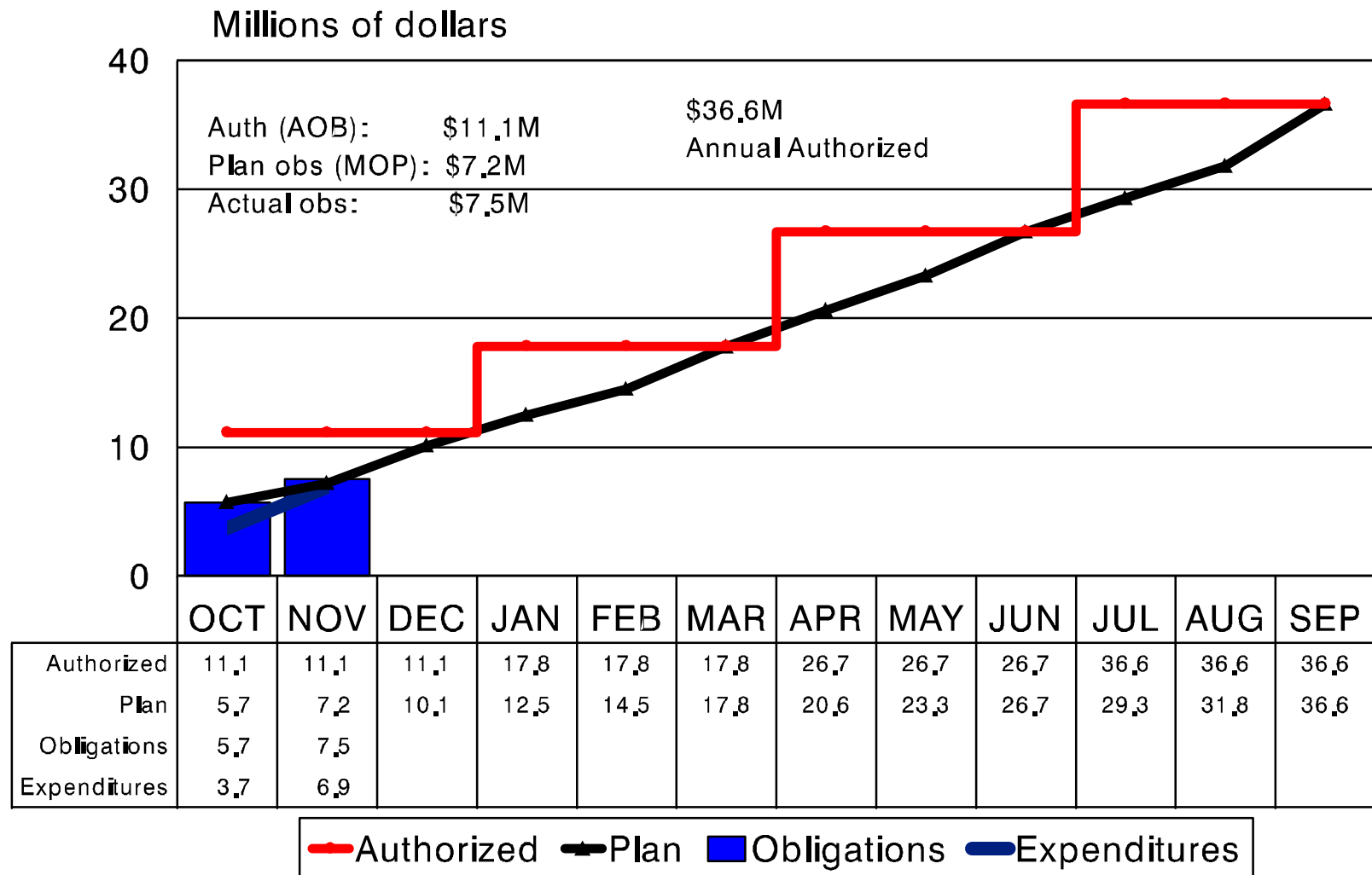
- Obligations exceeded plan for Bosnia TDY and PCS.
- Assessment Center labor funded through DCMDI budget during last pay period of month. No budget received to date.

Actions taken:

- Funding requested for Assessment Center through AQB.

DCMDI Resource Management

FY 97 Direct Execution



Obligations/Plan: 104%



DCMDI Resource Management

FY 97 Direct Execution

Status: **RED**

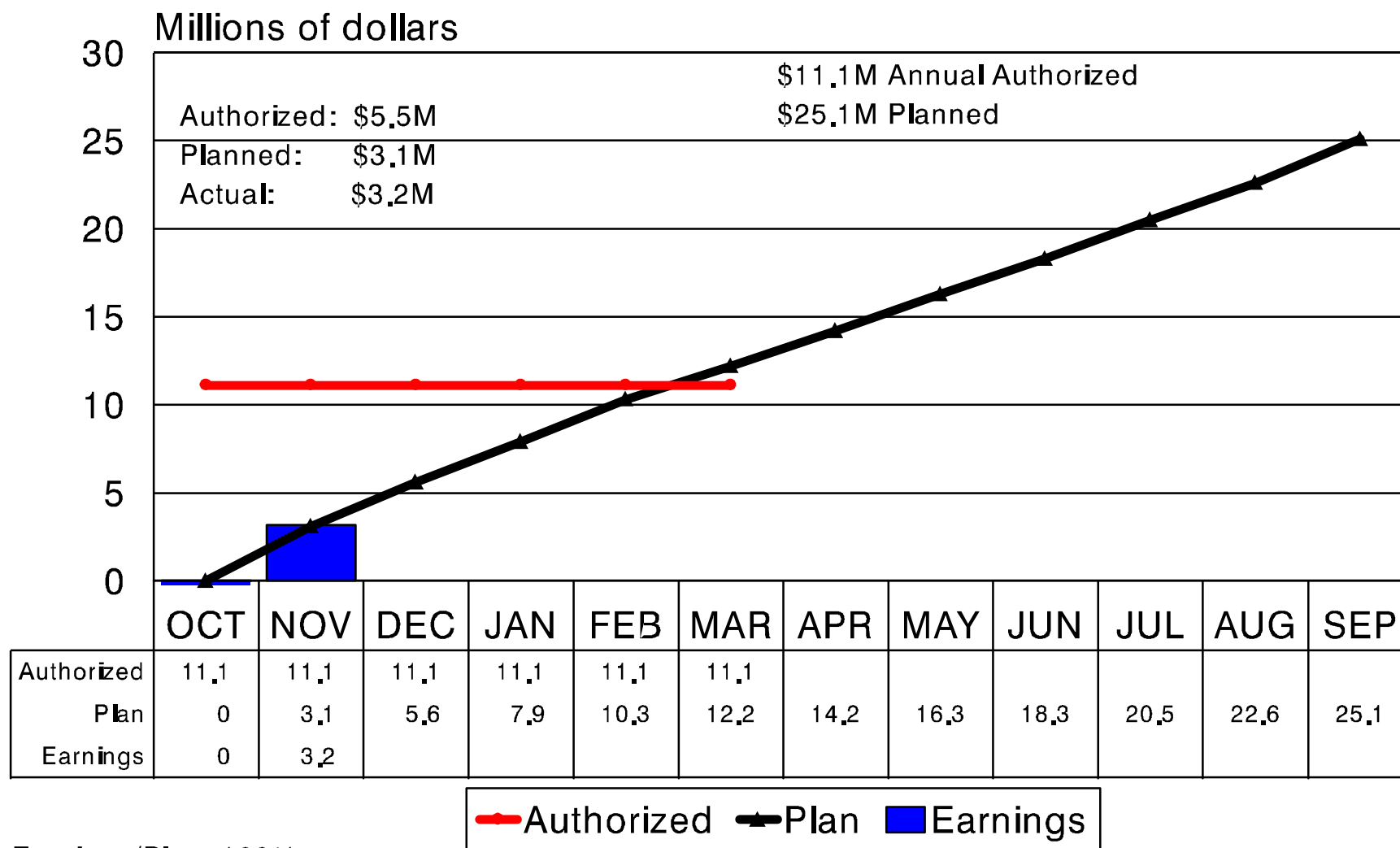
Comments: (as of 30 Nov 96)

- Actual obligations exceeded plan due to Bosnia and Assessment Center support.

Actions taken:

Initiated action to obtain Assessment Center funding through AQB.

DCMDI Resource Management FY 97 Reimbursable Execution



Earnings/Plan: 103%



DCMDI Resource Management

FY 97 Reimbursable Execution

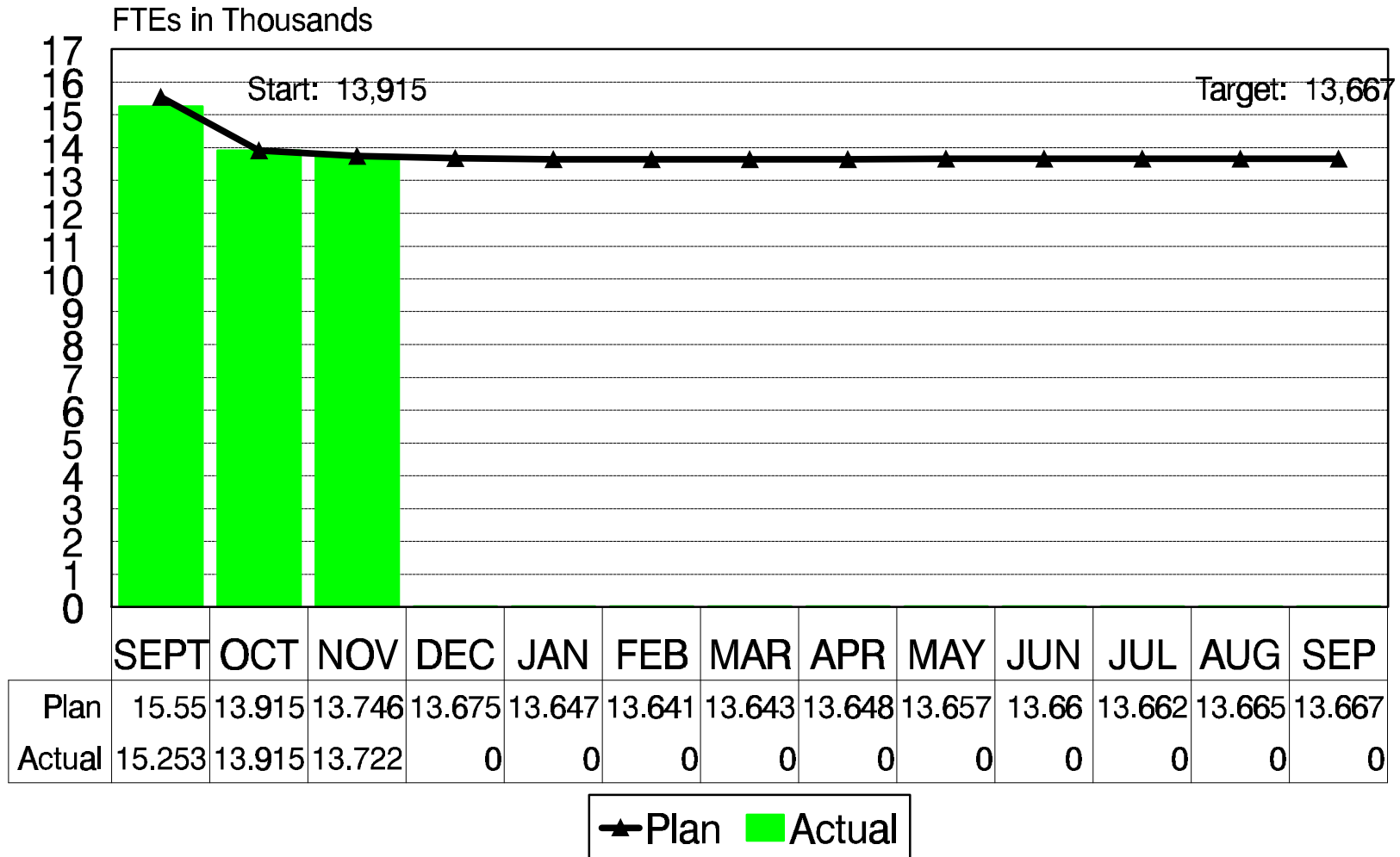
Status: **RED**

Comments: (as of 30 Nov 96)

Authorized level reflects only partial year FMS funding.

Actions taken: Awaiting response from DSAA on total FY 97 requirements.

DCMC FY 97 FTE Execution



Actual/Plan: 100%



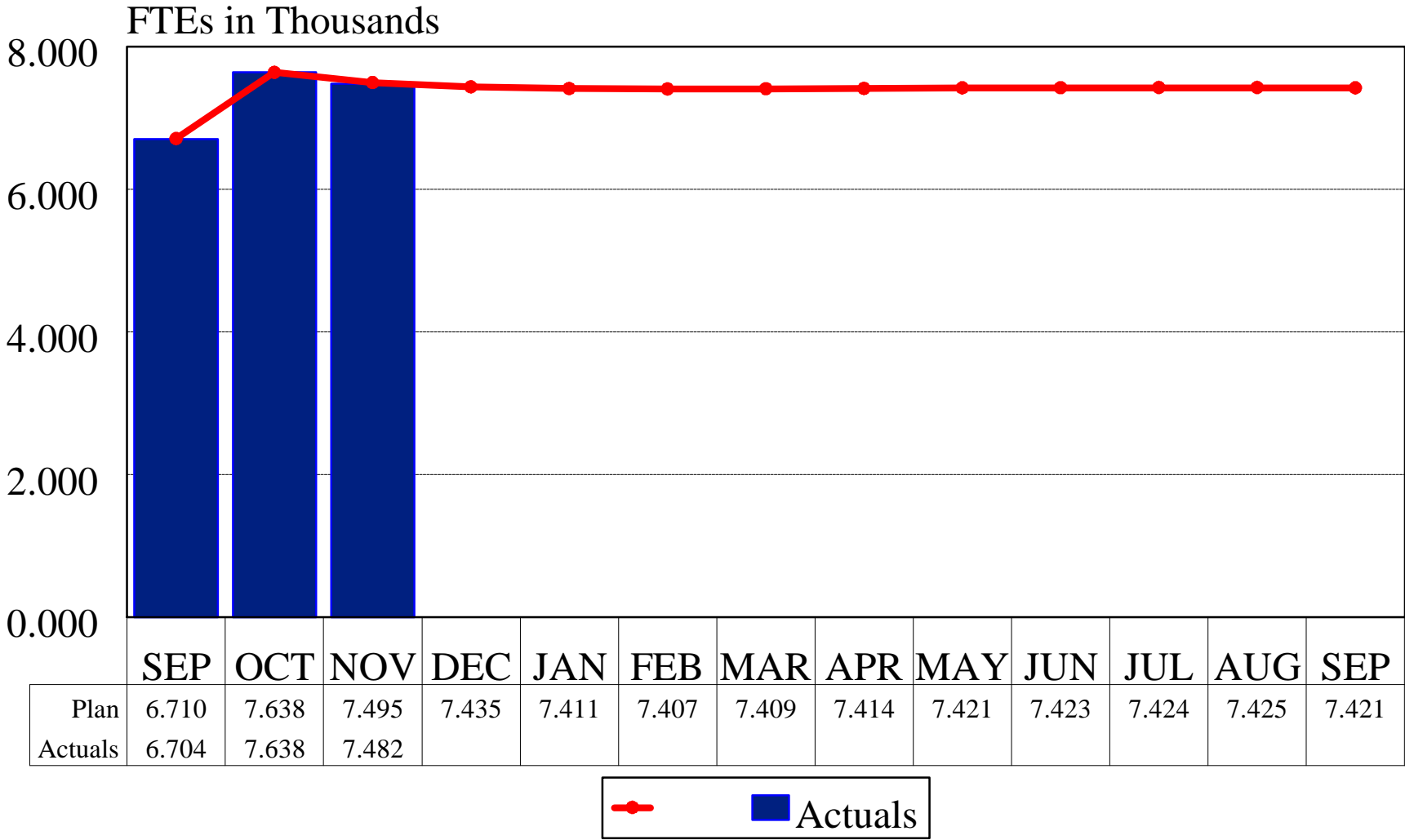
FY 97 FTE Execution

DCMC Summary (As of 30 Nov)

Status: RED

- Comments:
 - Inadequate FTE and E/S execution plans
 - Potential overexecution of VERA/VSIP in early FY 97
- Corrective Action:
 - Actuals contained in FTE Projection Worksheets and MOPs will be closely monitored during BPT/RUC/MMR reviews
 - Standard procedures and products developed for tracking variances at District and CAO level

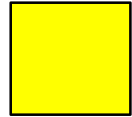
FY97 DCMDE FTE Execution



Actual/Plan: 99%

DCMDE

A/O 30 Nov 96



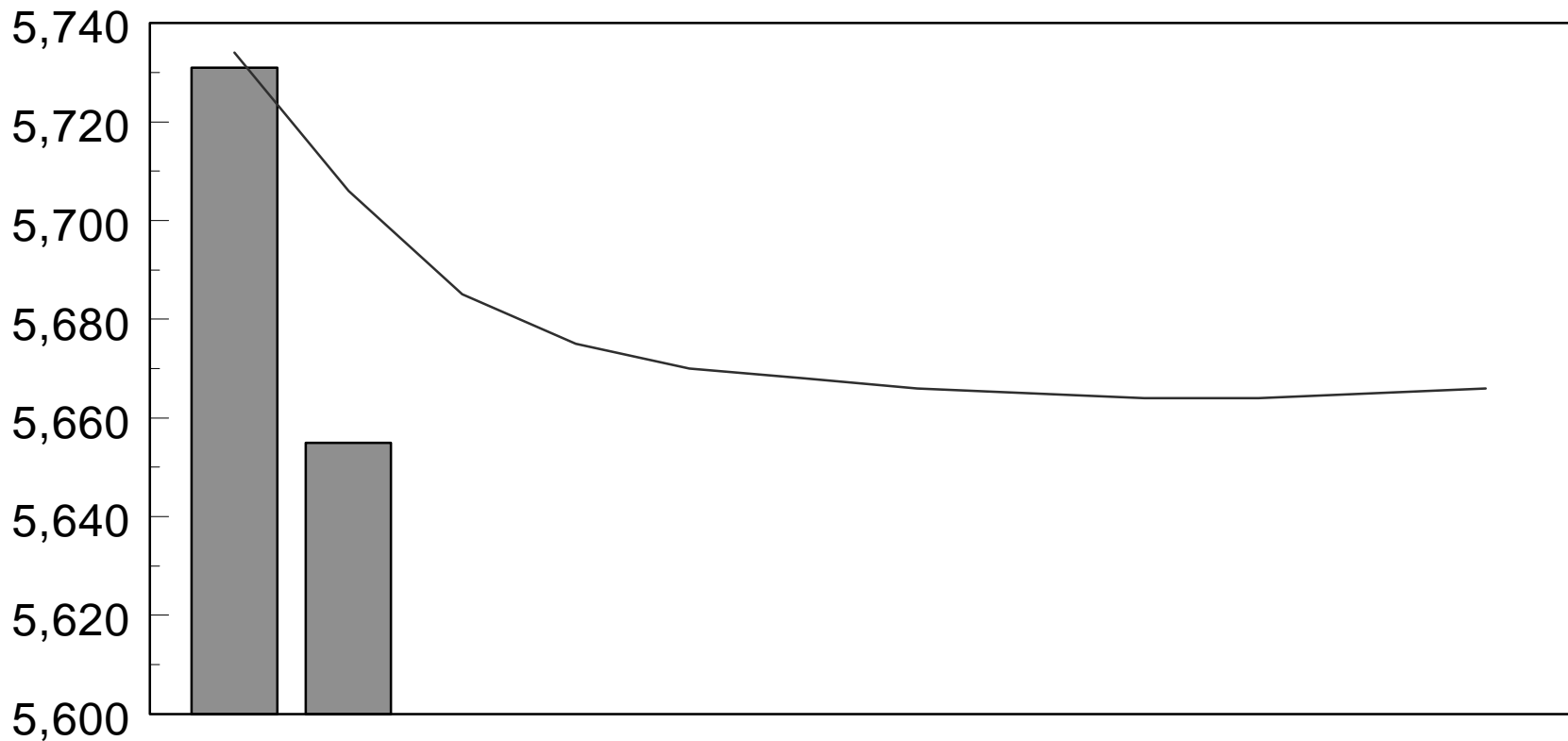
FY97 FTEs GOAL = 7421

Comments:

SUBJECT: FY97 DCMDE FTEs Execution a/o 30 Nov 96

- oo Actual outside hires are less than planned**
- o We will be near our approved FTE goal by January. After that,**

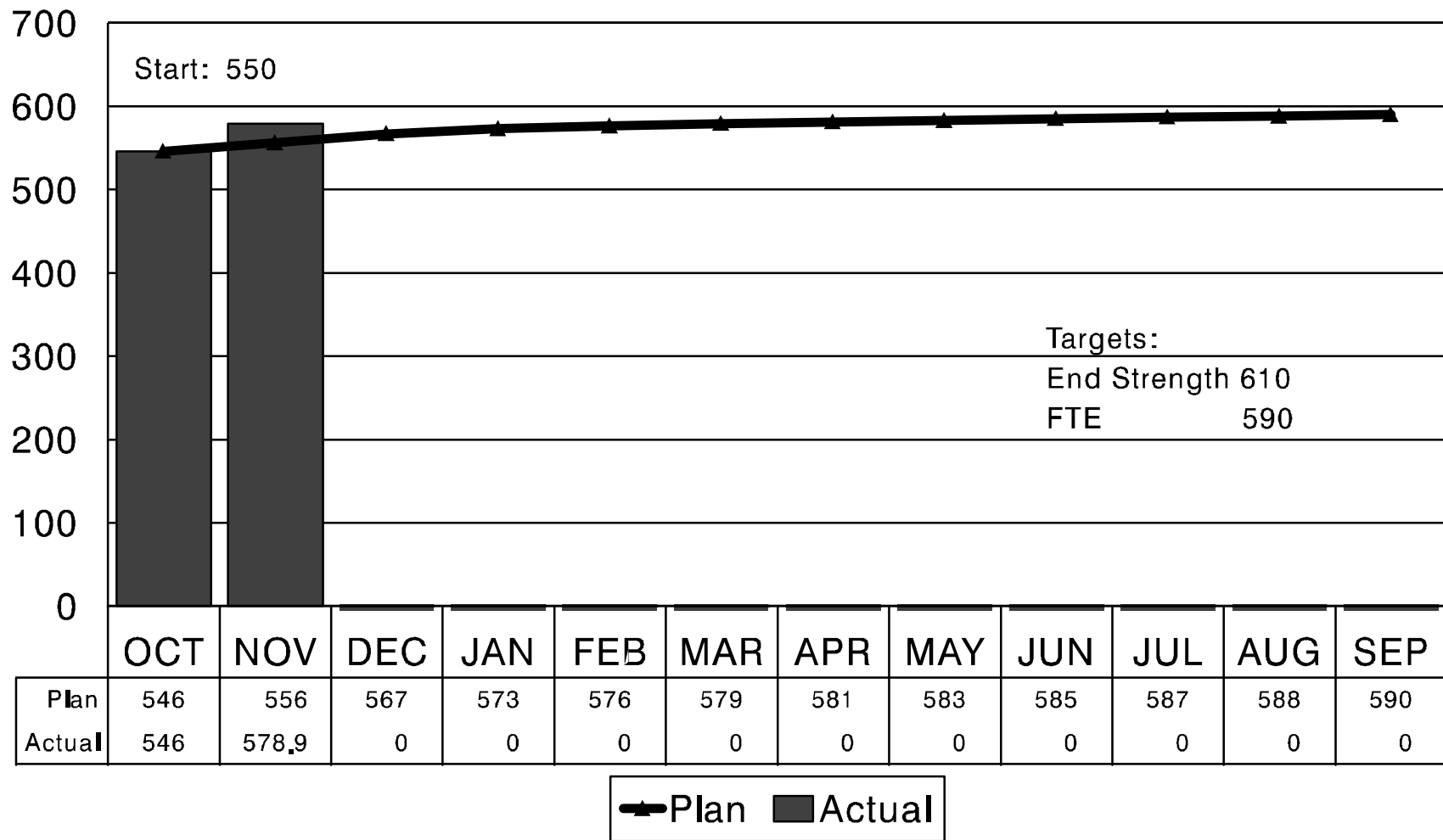
DCMC Resource Requirements (FTEs)



| | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| PLANNED | 5,734 | 5,706 | 5,685 | 5,675 | 5,670 | 5,668 | 5,666 | 5,665 | 5,664 | 5,664 | 5,665 | 5,666 |
| ACTUAL | 5,731 | 5,655 | | | | | | | | | | |

DCMDI Resource Management

FY 97 FTE Execution



Actual/Plan: 97%



DCMDI Resource Management

FTE Execution

Status: **RED**

Comments: (as of 30 Nov 96)

DCMDI was 16 short of the planned onboard goal of 590 for Nov
Increase caused by transfer of Assessment Center (30 FTEs with
36 employees onboard)

Actions taken:

Initiated aggressive hiring processes to fill vacancies

Created short term positions to bridge gaps and hiring lag times

Hire additional number of employees, peaking at mid-year, to
achieve desired “burn rate”.



DCMDI Resource Management

FTE Execution

Status: **RED**

Comments: (Continued)

- o DCMDI initial 582 FTEs for FY97 revised in Nov to 590 (582 minus 22 FMS in Saudi, plus 30 Direct for the Assessment Center)
- o As of 30 Nov 96, DCMDI executed 579 FTEs
- o Onboard rate based on DCMDI planned targets:

| <u>Planned</u> | | <u>On-Board</u> | <u>Under</u> |
|----------------|--------------|-----------------|--------------|
| 454 | Direct | 450 | (4) |
| <u>136</u> | Reimbursable | <u>124</u> | <u>(12)</u> |
| 590 | Total | 574 | (16) |

- o District under executed by 16 onboard employees in Nov. which is .7 % (or 4) of the Direct total and 2 % (or 12) of the Reimbursable total (caused by Saudi Safe Haven and Kuwait ramp-up).

ACTION ITEMS

AQ

MONTHLY MANAGEMENT REVIEW

ACTION ITEMS

AQ MONTHLY MANAGEMENT REVIEW (MMR)

NOTE: Action items with *by Partially Complete will be considered closed AFTER being briefed at the MMR.

1. PARTIALLY COMPLETE. UCAs - Change the metric to overage dollars after the Automated Metric System (AMS) has been installed for this item.

As agreed at the Aug MMR, overage dollars has been identified as the metric for UCAs. However, it will be collected after the Automated Metric System has been installed. The first increment of the Automated Metrics System, which will include this measure, is scheduled to go into operation Jan 97. (This action will be closed upon implementation of the AMS increment incorporating UCAs.)

2. PARTIALLY COMPLETE. BENCHMARKING - Review utility of scheduled benchmarking projects. Assess results and determine which projects should be continued.

Status was furnished by six benchmarking teams. The seventh benchmarking project, Distributed Computing, led by AQACP, will continue until completion in April 1997. No new DCMC sponsored projects will be started at this time. A letter sharing general DCMC benchmarking results was sent to the Districts and AQ Staff. Memorandums from the applicable AQO Teams, outlining individual project results, including best practices, lessons learned, and process insights, were due to the field on 15 Nov. To date letters have been completed and distributed to the field for the Authorizing/Accepting Shipments, Contract Closeout and Program Integration projects. The remaining project letters are in process: Contract Receipt and Review is in rewrite, and Pre-Delivery Surveillance is in the process of being written. The Program and Manufacturing Assurance project letter is on hold until the final report is received this month. This action will be closed upon completion and dissemination of these letters, expected 10 Jan 97.

3. * PARTIALLY COMPLETE. CANCELING FUNDS DATA - AQOE is researching the methods used to calculate, report and manage canceling funds to ensure there is no disconnect between what the services are reporting and what we report. Information will be briefed at the next MMR.

Services are still closing books from year end scramble. Expect figures around 1 Dec and brief at Dec MMR.

4. CLOSED. POLLUTION - In order to gain final approval of plans, AQOI needs to develop more details. Prior to next MMR brief AQ on details of (a) environmental concerns and (b) on pollution prevention plan.

Environmental Concerns: Briefed DCMC Deputy on 25 Oct.

Pollution prevention: Diagram depicting JG-APP/SPI linkage provided. AQ accepted data provided.

5. CLOSED. SE-CMM - Discuss the SE-CMM with the DoD and the System Engineering Group i.e SESG & JGSE. (Determine their level of understanding, support, use or sponsorship of existing and prepared models.)

Meetings with the JGSE Management Group and the SESG indicated there is no activity on selection of a model. A DCMC survey indicated the most widely accepted industry model is the SE-CMM version.

6. PARTIALLY COMPLETE. TRIP INFORMATION - Establish procedure to have as part of read ahead package CAO metrics for each AQ visit.

Procedure has been established. Informal procedure will be formalized shortly.

Procedure has been forwarded to AQBC for approval.

7. *PARTIALLY COMPLETE. FPRAs/FPRRs - Continue to track FPRR data in addition to FPRA metric. Brief your analysis of performance incorporating FPRA and FPRR data at the MMR.

Information has been tracked and analyzed on a continuous basis. FPRA and FPRR data will be presented at the MMR.

8. CLOSED. PROCESS DRIVER CHARTS - Select standard scale for “Relative Degree of Impact and Influence/Control”.

All process driver charts have been changed to a 10-point scale.

9. CLOSED. PROPERTY - IGs currently have three ongoing property audits. Feedback from one of the audits indicated an excessive amount of documentation was being requested. Contact the IG Team concerning documentation requests.

Met with the auditors doing the review. The primary documentation they were looking for at the CAOs was PCO authorizations (consistent with FAR provisions) for contractor acquisition of property under cost contracts. If the ACO could not produce the documentation, the auditors wanted them to get the documentation from the PCOs. I pointed out that it was the auditor’s responsibility and not the ACOs. They agreed, and in the future, will direct their requests to the PCOs.

10. *PARTIALLY COMPLETE. RIGHT RECEPTION - CUSTOMER SURVEYS - Work on analysis level 2; item managers' responses and tell me whether we should keep the IMs or just their PCOs.

Analysis has been completed. Results will be briefed at the MMR.

11. CLOSED. MMR - Vary order of subject presentation to give those traditionally last opportunity to present earlier in the review.

Variation of order initiated in planning for Dec MMR.